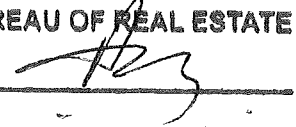


1 Bureau of Real Estate
2 320 West 4th Street, Ste. 350
3 Los Angeles, California 90013-1105
4 Telephone: (213) 576-6982

FILED

JUL 11 2014
BUREAU OF REAL ESTATE
By 

8 BEFORE THE BUREAU OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)
12)
13 LORDON ENTERPRISES INC., doing)
14 business as Lordon Management Co.)
15 and Lordon Properties; and)
16)
17 DONALD JACQUES MELCHING,)
as designated officer of Lordon Enterprises Inc.,)
Respondents,)

No. H-38802 LA

STIPULATION
AND
AGREEMENT

18 It is hereby stipulated by and between Respondents LORDON ENTERPRISES
19 INC. and DONALD JACQUES MELCHING, as designated officer of Lordon Enterprises Inc.
20 (sometimes collectively referred to as "Respondents"), represented by Herman Thordsen, Esq.,
21 and the Complainant, acting by and through Elliott Mac Lennan, Counsel for the Bureau of Real
22 Estate, as follows for the purpose of settling and disposing of the First Amended Accusation
23 ("Accusation") filed on June 10, 2013, in this matter:

24 1. All issues which were to be contested and all evidence which was to be
25 presented by Complainant and Respondents at a formal hearing on the Accusation, which hearing
26 was to be held in accordance with the provisions of the Administrative Procedure Act ("APA"),
27 shall instead and in place thereof be submitted solely on the basis of the provisions of this

1 Stipulation and Agreement ("Stipulation").

2 2. Respondents have received, read and understand the Statement to Respondent,
3 the Discovery Provisions of the APA and the Accusation filed by the Bureau of Real Estate in
4 this proceeding.

5 3. Respondents timely filed a Notice of Defense pursuant to Section 11506 of the
6 Government Code for the purpose of requesting a hearing on the allegations in the Accusation.
7 Respondents hereby freely and voluntarily withdraw said Notice of Defense. Respondents
8 acknowledge that they understand that by withdrawing said Notice of Defense they thereby waive
9 their right to require the Commissioner to prove the allegations in the Accusation at a contested
10 hearing held in accordance with the provisions of the APA and that they will waive other rights
11 afforded to them in connection with the hearing such as the right to present evidence in their
12 defense the right to cross-examine witnesses.

13 4. This Stipulation is based on the factual allegations contained in the Accusation.
14 In the interest of expedience and economy, Respondents choose not to contest these allegations,
15 but to remain silent and understand that, as a result thereof, these factual allegations, without
16 being admitted or denied, will serve as a prima facie basis for the disciplinary action stipulated to
17 herein. The Real Estate Commissioner shall not be required to provide further evidence to prove
18 said factual allegations.

19 5. This Stipulation is made for the purpose of reaching an agreed disposition of
20 this proceeding and is expressly limited to this proceeding and any other proceeding or case in
21 which the Bureau of Real Estate ("Bureau ") or another licensing agency of this state, another
22 state or if the federal government is involved, and otherwise shall not be admissible in any other
23 criminal or civil proceeding.

24 6. It is understood by the parties that the Real Estate Commissioner may adopt
25 this Stipulation as his Decision in this matter thereby imposing the penalty and sanctions on
26 Respondents' real estate licenses and license rights as set forth in the below "Order". In the event
27 that the Commissioner in the Commissioner's discretion does not adopt the Stipulation, the

1 Stipulation shall be void and of no effect and Respondents shall retain the right to a hearing and
2 proceeding on the Accusation under the provisions of the APA and shall not be bound by any
3 stipulation or waiver made herein.

4 7. The Order or any subsequent Order of the Real Estate Commissioner made
5 pursuant to this Stipulation shall not constitute an estoppel, merger or bar to any further
6 administrative or civil proceedings by the Bureau of Real Estate with respect to any matters
7 which were not specifically alleged to be causes for accusation in this proceeding.

8 8. Respondents understand that by agreeing to this Stipulation, Respondents agree
9 to pay, pursuant to Business and Professions Code Section 10148, the cost of the audit which led
10 to this disciplinary action. The amount of said cost is \$4,219.15.

11
12 9. Respondents have received, read, and understand the "Notice Concerning
13 Costs of Subsequent Audit." Respondents further understand that by agreeing to this Stipulation,
14 the findings set forth below in the Determination of Issues become final, and the Commissioner
15 may charge Respondents for the cost of any subsequent audit conducted pursuant to Business and
16 Professions Code Section 10148 to determine if the violations have been corrected. The
17 maximum cost of the subsequent audit will not exceed \$4,219.15.

18
19 10. Respondent understands that by agreeing to this Stipulation, Respondent
20 agrees to pay, pursuant to Business and Professions Code Section 10106, the cost of the
21 investigation and enforcement of this matter. The amount of said cost is \$1,460.45.

22
23 DETERMINATION OF ISSUES

24 By reason of the foregoing, it is stipulated and agreed that the following
25 determination of issues shall be made:

26 ///

27 ///

I.

The conduct of LORDON ENTERPRISES INC. and DONALD JACQUES MELCHING as described in Paragraph 4, above, is in violation of Sections 10145 and 10159.5, of the Business and Professions Code ("Code") and Sections 2731 and 2831 of Title 10, Chapter 6 of the California Code of Regulations ("Regulations") and is a basis for the suspension or revocation of Respondents' license and license rights as a violation of the Real Estate Law pursuant to Code Sections 10177(d).

II.

The conduct of DONALD JACQUES MELCHING, as described in Paragraph 4, above, constitutes a failure to keep Lordon Enterprises Inc. in compliance with the Real Estate Law during the time that he was the officer designated by a corporate broker licensee in violation of Code Section 10159.2. This conduct is a basis for the suspension or revocation of Respondent's license pursuant to Code Section 10177(h).

ORDER

WHEREFORE, THE FOLLOWING ORDER is hereby made:

I.

All licenses and licensing rights of Respondents LORDON ENTERPRISES INC. and DONALD JACQUES MELCHING, under the Real Estate Law are suspended for a period of sixty (60) days from the effective date of this Decision:

A. Provided, however, that if a Respondent requests, the initial thirty (30) days of said suspension (or a portion thereof) shall be stayed for two (2) years upon condition that:

1. Respondent pays a monetary penalty pursuant to Section 10175.2 of the Business and Professions Code at the rate of \$33.33 per day for each day of the suspension for a monetary penalty of \$1,000 for each Respondent, or \$2,000 total.

2. Said payment shall be in the form of a cashier's check or certified check made

1 payable to the Recovery Account of the Real Estate Fund. Said check must be received by the
2 Bureau prior to the effective date of the Decision in this matter.

3 3. No further cause for disciplinary action against the real estate license of
4 Respondents occur within two (2) years from the effective date of the Decision in this matter.

5 4. If Respondents fail to pay the monetary penalty in accordance with the terms of
6 the Decision, the Commissioner may, without a hearing, order the immediate execution of all or
7 any part of the stayed suspension, in which event the Respondent shall not be entitled to any
8 repayment nor credit, prorated or otherwise, for money paid to the Bureau under the terms of this
9 Decision.
10

11 5. If Respondents pay the monetary penalty and if no further cause for
12 disciplinary action against the real estate license of a Respondent occurs within two (2) years
13 from the effective date of the Decision, the stay hereby granted shall become permanent.
14

15 B. The remaining thirty (30) days of the sixty (60) day suspension shall be stayed
16 for two (2) years upon the following terms and conditions:

17 1. Respondents shall obey all laws, rules and regulations governing the rights,
18 duties and responsibilities of a real estate licensee in the State of California; and
19

20 2. That no final subsequent determination be made after hearing or upon
21 stipulation, that cause for disciplinary action occurred within two (2) years from the effective
22 date of this Decision. Should such a determination be made, the Commissioner may, in his
23 discretion, vacate and set aside the stay order and reimpose all or a portion of the stayed
24 suspension. Should no such determination be made, the stay imposed herein shall become
25 permanent.
26

27 ///

1 II.

2 Pursuant to Section 10148 of the Business and Professions Code, Respondents

3 LORDON ENTERPRISES INC. and DONALD JACQUES MELCHING shall pay the
4 Commissioner's reasonable cost for (a) the audit(s) which led to this disciplinary action and (b) a
5 subsequent audit to determine if Respondents are now in compliance with the Real Estate Law.
6 The cost of the audit which led to this disciplinary action is \$4,219.15. In calculating the
7 amount of the Commissioner's reasonable cost, the Commissioner may use the estimated
8 average hourly salary for all persons performing audits of real estate brokers, and shall include
9 an allocation for travel time to and from the auditor's place of work. Said amount for the prior
10 and subsequent audits shall not exceed \$8,438.30. Respondents are jointly and severally liable
11 for the cost of the audits.

12 Respondents shall pay such cost within 60 days of receiving an invoice from the
13 Commissioner detailing the activities performed during the audit and the amount of time spent
14 performing those activities.

15 The Commissioner may suspend the license of Respondents pending a hearing
16 held in accordance with Section 11500, et seq., of the Government Code, if payment is not timely
17 made as provided for herein, or as provided for in a subsequent agreement between the
18 Respondents and the Commissioner. The suspension shall remain in effect until payment is
19 made in full or until a Respondent enters into an agreement satisfactory to the Commissioner to
20 provide for payment, or until a decision providing otherwise is adopted following a hearing held
21 pursuant to this condition.

22 III.

23 All licenses and licensing rights of Respondents are indefinitely suspended unless
24 or until Respondents pay the sum of \$1,460.45. for the Commissioner's reasonable cost of the
25 investigation and enforcement which led to this disciplinary action. Said payment shall be in the
26 form of a cashier's check made payable to the Real Estate Fund. Said check must be received by
27

1 the Bureau prior to the effective date of the Order in this matter.

2 IV.

3 Respondent DONALD JACQUES MELCHING shall, within nine (9) months
4 from the effective date of this Decision, present evidence satisfactory to the Real Estate
5 Commissioner that Respondent has, since the most recent issuance of an original or renewal real
6 estate license, taken and successfully completed the continuing education requirements of Article
7 2.5 of Chapter 3 of the Real Estate Law for renewal of a real estate license. If Respondent fails
8 to satisfy this condition, the Commissioner may order the suspension of the license until
9 Respondent presents such evidence. The Commissioner shall afford Respondent the opportunity
10 for a hearing pursuant to the Administrative Procedure Act to present such evidence.
11

12 V.

13 All licenses and licensing rights of DONALD JACQUES MELCHING are
14 indefinitely suspended unless or until Respondent provides proof satisfactory to the
15 Commissioner, of having taken and successfully completed the continuing education course on
16 trust fund accounting and handling specified in paragraph (3) of subdivision (a) of Section
17 10170.5 of the Business and Professions Code. Proof of satisfaction of this requirement includes
18 evidence that respondent has successfully completed the trust fund account and handling
19 continuing education course within 120 days prior to the effective date of the Decision in this
20 matter.
21
22

23 VI.

24 As a further condition for the Commissioner to enter into this Stipulation,
25 Respondents shall provide evidence satisfactory to the Real Estate Commissioner that they have
26 repaid to property owners, or their successors in interest, the amounts set forth in the table below.
27

1 All licenses and licensing rights of Respondents are indefinitely suspended unless or until proof
2 of restitution is received by the Bureau prior to the effective date of the Decision in this matter.

3
4 Table: Restitution per Audit Report

5

Property Owner	Amount
D&M B Investment LLC	\$165.37
Bonaventure E.	\$713.66
Total	\$879.03

8

9 VII.

10 It is acknowledged that Respondents have satisfied the conditions set forth below:

- 11 (1) Designated all bank accounts into which trust are deposited as trust accounts;
12 (2) Properly bonded or removed signatory Pamela Marczinco on BA 1 and BA 2;
13 (3) Restored \$273.62 to BA 1 or to respective property owner.
14

15 VIII.

16 All proof required by this Order shall be sent to the attention of Elliott Mac
17 Lennan, Counsel, Legal Section, Bureau of Real Estate, 320 West 4th St., Suite 350, Los
18 Angeles, California 90013-1105.

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1 DATED: 3-26-14

ELL
2 ELLIOTT MAC LENNAN, Counsel for
3 Bureau of Real Estate

4 EXECUTION OF THE STIPULATION

5 We have read the Stipulation and Agreement and discussed it with our attorney.
6 Its terms are understood by us and are agreeable and acceptable to us. We understand that we
7 are waiving rights given to us by the California Administrative Procedure Act (including but not
8 limited to Sections 11506, 11508, 11509 and 11513 of the Government Code), and we willingly,
9 intelligently and voluntarily waive those rights, including the right of requiring the
10 Commissioner to prove the allegations in the Accusation at a hearing at which we would have
11 the right to cross-examine witnesses against us and to present evidence in defense and mitigation
12 of the charges.

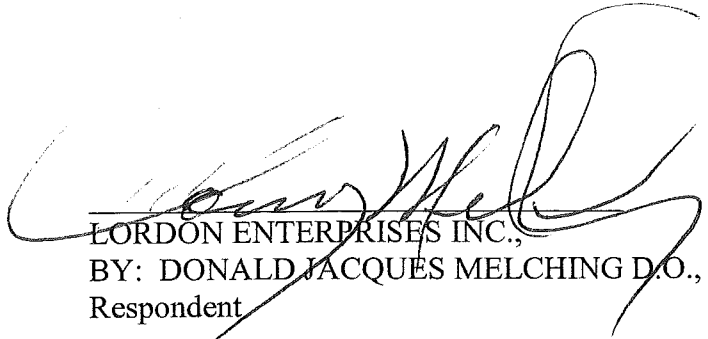
13 MAILING AND FACSIMILE

14 Respondents (1) shall mail the original signed signature page of the stipulation
15 herein to Elliott Mac Lennan: Attention: Legal Section, Bureau of Real Estate, 320 West 4th
16 St., Suite 350, Los Angeles, California 90013-1105. Respondents shall also (2) facsimile a copy
17 of signed signature page, to the Bureau at the following fax number: (213) 576-6917, Attention:
18 Elliott Mac Lennan, Esq.

19 A facsimile constitutes acceptance and approval of the terms and conditions of
20 this stipulation. Respondents agree, acknowledge and understand that by electronically sending
21 to the Bureau a facsimile copy of Respondents' actual signature as it appears on the stipulation
22 that receipt of the facsimile copy by the Bureau shall be as binding on Respondents as if the
23 Bureau had received the original signed stipulation.

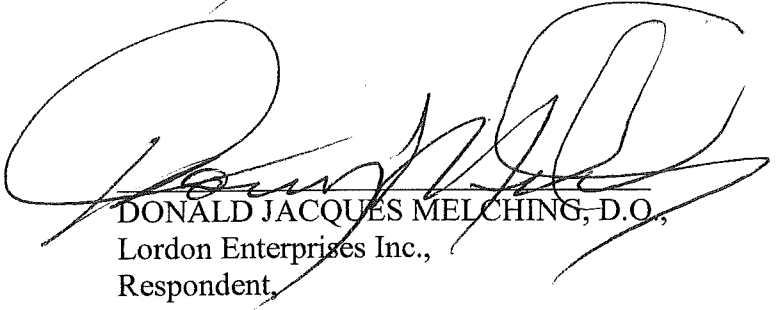
1
2 DATED:

1-27-14


LORDON ENTERPRISES INC.,
BY: DONALD JACQUES MELCHING D.O.,
Respondent

3
4
5
6 DATED:

1-27-14


DONALD JACQUES MELCHING, D.O.,
Lordon Enterprises Inc.,
Respondent.

7
8
9
10 DATED:

1-31-14


HERMAN THORSEN, ESQ.
Attorney for Respondent

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25 * * *

26 The foregoing Stipulation and Agreement is hereby adopted as my Decision as to
27 Respondents LORDON ENTERPRISES INC. and DONALD JACQUES MELCHING, and shall

1 become effective at 12 o'clock noon on August 11, 2014.

2
3 IT IS SO ORDERED April 24, 2014.

4
5 Real Estate Commissioner

6
7
8 By: JEFFREY MASON
9 Chief Deputy Commissioner