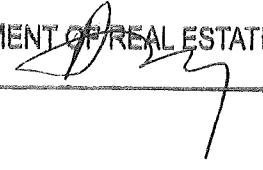


FILED

NOV 27 2013

Bureau of Real Estate
320 W. 4TH Street, Suite 350
Los Angeles, CA 90013-1105
Telephone: (213) 576-6982

DEPARTMENT OF REAL ESTATE
BY: 

BEFORE THE BUREAU OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of	)	BRE No. H-38863 LA
	)	
SRW PROPERTIES INC.;	)	
and STEVEN FRANKLIN SOBEL	)	<u>STIPULATION</u>
individually and as designated officer	)	<u>AND</u>
of SRW Properties Inc.,	)	<u>AGREEMENT</u>
	)	
Respondents.	)	
	)	
	)	

It is hereby stipulated by and between Respondents SRW PROPERTIES INC. and STEVEN FRANKLIN SOBEL, individually and as designated officer of SRW Properties Inc. (sometimes collectively referred to as "Respondents") and the Complainant, acting by and through Elliott Mac Lennan, Counsel for the Bureau of Real Estate, as follows for the purpose of settling and disposing of the Accusation filed on May 7, 2013, in this matter:

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

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

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

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

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

23 6. It is understood by the parties that the Real Estate Commissioner may adopt
24 this Stipulation as his Decision in this matter thereby imposing the penalty and sanctions on
25 Respondents' real estate licenses and license rights as set forth in the below "Order". In the event
26 that the Commissioner in the Commissioner's discretion does not adopt the Stipulation, the
27 Stipulation shall be void and of no effect and Respondents shall retain the right to a hearing and

1 proceeding on the Accusation under the provisions of the APA and shall not be bound by any
2 stipulation or waiver made herein.

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

7 8. Respondents understand that by agreeing to this Stipulation, Respondents agree
8 to pay, pursuant to Business and Professions Code Section 10148, the cost of the audit which led
9 to this disciplinary action. The amount of said cost is \$6,298.50.
10

11 9. Respondents have received, read, and understand the "Notice Concerning
12 Costs of Subsequent Audit". Respondents further understand that by agreeing to this Stipulation,
13 the findings set forth below in the Determination of Issues become final, and the Commissioner
14 may charge Respondents for the cost of any subsequent audit conducted pursuant to Business and
15 Professions Code Section 10148 to determine if the violations have been corrected. The
16 maximum cost of the subsequent audit will not exceed \$6,298.50.
17

18 10. Respondents understand that by agreeing to this Stipulation, Respondents
19 agree to pay, pursuant to Business and Professions Code Section 10106, the cost of the
20 investigation and enforcement of this matter. The amount of said cost is \$1,390.00.
21

22 DETERMINATION OF ISSUES

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

25 I.

26 The conduct of SRW PROPERTIES INC. and STEVEN FRANKLIN SOBEL as
27 described in Paragraph 4, above, is in violation of 10145 and 10159.5 of the Business and

1 Professions Code ("Code") and Sections 2832.1, 2831, 2831.1, 2832(a) and 2834 of Title 10,
2 Chapter 6 of the California Code of Regulations ("Regulations") and is a basis for the suspension
3 or revocation of Respondents' license and license rights as a violation of the Real Estate Law
4 pursuant to Code Sections 10177(d).

5 II.

6 The conduct of STEVEN FRANKLIN SOBEL, as described in Paragraph 4,
7 above, constitutes a failure to keep SRW Properties Inc. in compliance with the Real Estate Law
8 during the time that he was the officer designated by a corporate broker licensee in violation of
9 Code Section 10159.2. This conduct is a basis for the suspension or revocation of Respondent's
10 license pursuant to Code Section 10177(h).

11 ORDER

12 WHEREFORE, THE FOLLOWING ORDER is hereby made:

13 I.

14 All licenses and licensing rights of Respondents SRW PROPERTIES INC. and
15 STEVEN FRANKLIN SOBEL under the Real Estate Law are suspended for a period of sixty
16 (60) days from the effective date of this Decision:

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

19 1. Respondents pay a monetary penalty pursuant to Section 10175.2 of the
20 Business and Professions Code at the rate of \$50.00 per day for each day of the suspension for a
21 monetary penalty of \$1,500 for each Respondent, or \$3,000 total.

22 2. Said payment shall be in the form of a cashier's check or certified check made
23 payable to the Recovery Account of the Real Estate Fund. Said check must be received by the
24 Bureau prior to the effective date of the Decision in this matter.

25 3. No further cause for disciplinary action against the real estate license of
26
27

1 Respondents occur within two (2) years from the effective date of the Decision in this matter.

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

7
8 5. If Respondents pay the monetary penalty and if no further cause for
9 disciplinary action against the real estate license of a Respondent occurs within two (2) years
10 from the effective date of the Decision, the stay hereby granted shall become permanent.

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

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

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

24 Pursuant to Section 10148 of the Business and Professions Code, Respondents
25 shall pay the Commissioner's reasonable cost for (a) the audit(s) which led to this disciplinary
26 action and (b) a subsequent audit to determine if Respondents are now in compliance with the
27

1 Real Estate Law. The cost of the audit which led to this disciplinary action is \$6,298.50. In
2 calculating the amount of the Commissioner's reasonable cost, the Commissioner may use the
3 estimated average hourly salary for all persons performing audits of real estate brokers, and shall
4 include an allocation for travel time to and from the auditor's place of work. Said amount for
5 the prior and subsequent audits shall not exceed \$12,597.00. Respondents are jointly and
6 severally liable for the cost of the audits.

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

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

17 III.

18 Pursuant to Section 10106 of the Business and Professions Code, Respondent
19 SRW PROPERTIES INC. and STEVEN FRANKLIN SOBEL shall pay the Commissioner's
20 reasonable cost for investigation and enforcement of the matter within sixty (60) days after the
21 effective date of this Decision. The investigation and enforcement cost which led to this
22 disciplinary action is \$1,390.

23 The Commissioner may suspend the license of Respondents pending a hearing
24 held in accordance with Section 11500, et seq., of the Government Code, if payment is not timely
25 made as provided for herein, or as provided for in a subsequent agreement between the
26 Respondents and the Commissioner. The suspension shall remain in effect until payment is
27 made in full or until Respondents enter into an agreement satisfactory to the Commissioner to

1 provide for payment, or until a decision providing otherwise is adopted following a hearing held
2 pursuant to this condition.

3 IV.

4 All licenses and licensing rights of Respondent STEVEN FRANKLIN SOBEL,
5 are indefinitely suspended unless or until Respondent provides proof satisfactory to the
6 Commissioner, of having taken and successfully completed the continuing education course on
7 trust fund accounting and handling specified in paragraph (3) of subdivision (a) of Section
8 10170.5 of the Business and Professions Code. Proof of satisfaction of this requirement includes
9 evidence that Respondent has successfully completed the trust fund handling course within 120
10 days prior to the effective date of the Decision in this matter.

12 V.

13 Respondent STEVEN FRANKLIN SOBEL shall, within nine (9) months from the
14 effective date of this Decision, present evidence satisfactory to the Real Estate Commissioner
15 that Respondent has, since the most recent issuance of an original or renewal real estate license,
16 taken and successfully completed the continuing education requirements of Article 2.5 of
17 Chapter 3 of the Real Estate Law for renewal of a real estate license. If Respondent fails to
18 satisfy this condition, the Commissioner may order the suspension of the restricted license until
19 Respondent presents such evidence. The Commissioner shall afford Respondent the opportunity
20 for a hearing pursuant to the Administrative Procedure Act to present such evidence.

23 VI.

24 All proof required by this Order, shall be sent to the attention of Elliott Mac
25 Lennan, Counsel, Legal Section, Bureau of Real Estate, 320 W. Fourth St., Suite 350, Los
26 Angeles, California 90013-1105.

1 DATED: 8-15-13

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

4 * * *

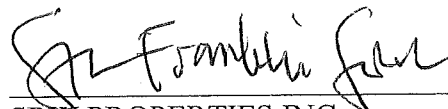
5 EXECUTION OF THE STIPULATION

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

13 FACSIMILE

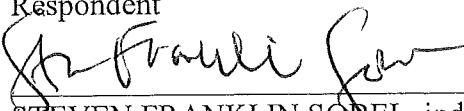
14 Respondents can signify acceptance and approval of the terms and conditions of
15 this Stipulation by faxing a copy of its signature page, as actually signed by Respondents, to the
16 Bureau at the following facsimile number: Elliott Mac Lennan at (213) 576-6917. Respondents
17 agree, acknowledge and understand that by electronically sending to the Bureau a fax copy of
18 Respondents' actual signature as they appear on the Stipulation, that receipt of the faxed copy by
19 the Bureau shall be as binding on Respondents as if the Bureau had received the original signed
20 Stipulation.
21

22 DATED: 8/21/13


23 SRW PROPERTIES INC.

24 BY: STEVEN FRANKLIN SOBEL,
Respondent

25 DATED: 8/21/13


26 STEVEN FRANKLIN SOBEL, individually and
27 as designated officer of SRW Properties Inc.,
Respondent

1 ***

2 The foregoing Stipulation and Agreement is hereby adopted as my Decision as to
3 Respondents SRW PROPERTIES INC. and STEVEN FRANKLIN SOBEL, individually and as
4 designated officer of SRW Properties Inc. and shall become effective at 12 o'clock noon on
5 December 27, 2013.

6 IT IS SO ORDERED OCT 25 2013

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8 Real Estate Commissioner

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11 By: ^{J S}JEFFREY MASON
12 Chief Deputy Commissioner
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