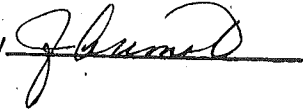


1 ELLIOTT MAC LENNAN, Counsel (SBN 66674)
2 Bureau of Real Estate
3 320 W. 4TH Street, Suite 350
4 Los Angeles, CA 90013-1105
5 Telephone: (213) 576-6982

FILED

MAY 14 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 REPUBLIC REALTY SERVICES INC.,)
14 doing business as RE/MAX Metro)
15 Real Estate Services; and)
16)
17 PAUL FLORES, individually and as)
18 designated officer of Republic Realty)
Services Inc.,)
Respondents.)

DRE No. H-38928 LA
OAH No. L-2013080999

STIPULATION
AND
AGREEMENT

19 It is hereby stipulated by and between Respondents REPUBLIC REALTY
20 SERVICES INC. doing business as RE/MAX Metro Real Estate Services, and PAUL FLORES,
21 individually and as designated officer of Republic Realty Services Inc. (sometimes collectively
22 referred to as "Respondents") represented by Steven F. Spierer, Esq. and the Complainant,
23 acting by and through Elliott Mac Lennan, Counsel for the Bureau of Real Estate, as follows for
24 the purpose of settling and disposing of the Accusation filed on June 27, 2013, in this matter:
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1 1. All issues which were to be contested and all evidence which was to be
2 presented by Complainant and Respondents at a formal hearing on the Accusation, which
3 hearing was to be held in accordance with the provisions of the Administrative Procedure Act
4 (“APA”) shall instead and in place thereof be submitted solely on the basis of the provisions of
5 this Stipulation and Agreement (“Stipulation.”)
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7 2. Respondents have received, read and understand the Statement to Respondent,
8 the Discovery Provisions of the APA and the Accusation filed by the Bureau of Real Estate in
9 this proceeding.

10 3. Respondents timely filed a Notice of Defense pursuant to Section 11506 of
11 the Government Code for the purpose of requesting a hearing on the allegations in the
12 Accusation. Respondents hereby freely and voluntarily withdraw said Notice of Defense.
13 Respondents acknowledge that they understand that by withdrawing said Notice of Defense they
14 thereby waive their right to require the Commissioner to prove the allegations in the Accusation
15 at a contested hearing held in accordance with the provisions of the APA and that they will
16 waive other rights afforded to them in connection with the hearing such as the right to present
17 evidence in their defense the right to cross-examine witnesses.
18

19 4. This Stipulation is based on the factual allegations contained in the
20 Accusation. In the interest of expedience and economy, Respondents choose not to contest
21 these allegations, but to remain silent and understand that, as a result thereof, these factual
22 allegations, without being admitted or denied, will serve as a prima facie basis for the
23 disciplinary action stipulated to herein. The Real Estate Commissioner shall not be required to
24 provide further evidence to prove said factual allegations.
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1 5. This Stipulation is made for the purpose of reaching an agreed disposition of
2 this proceeding and is expressly limited to this proceeding and any other proceeding or case in
3 which the Bureau of Real Estate ("Bureau") or another licensing agency of this state, another
4 state or if the federal government is involved, and otherwise shall not be admissible in any other
5 criminal or civil proceeding.

6 6. It is understood by the parties that the Real Estate Commissioner may adopt
7 this Stipulation as his Decision in this matter thereby imposing the penalty and sanctions on
8 Respondents' real estate licenses and license rights as set forth in the below "Order". In the
9 event that the Commissioner in the Commissioner's discretion does not adopt the Stipulation,
10 the Stipulation shall be void and of no effect and Respondents shall retain the right to a hearing
11 and proceeding on the Accusation under the provisions of the APA and shall not be bound by
12 any stipulation or waiver made herein.

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

17 8. Respondents understand that by agreeing to this Stipulation, Respondents
18 agree to pay, pursuant to Business and Professions Code Section 10148, the cost of the original
19 audit which led to this disciplinary action. The amount of said cost is \$14,780.92.

20 9. Respondents have received, read, and understand the "Notice Concerning
21 Costs of Subsequent Audit." Respondents further understand that by agreeing to this
22 Stipulation, the findings set forth below in the Determination of Issues become final, and the
23 Commissioner may charge Respondents for the cost of any subsequent audit conducted pursuant
24 to Business and Professions Code Section 10148 to determine if the violations have been
25 corrected. The maximum cost of the subsequent audit will not exceed \$14,780.92.
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1 10. Respondent understands that by agreeing to this Stipulation, Respondent
 2 agrees to pay, pursuant to Business and Professions Code Section 10106, the cost of the
 3 investigation and enforcement of this matter. The amount of said cost is \$5,265.

4
 5 DETERMINATION OF ISSUES

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

8 I.

9 The conduct of REPUBLIC REALTY SERVICES INC. and PAUL FLORES as
 10 described in Paragraph 4, above, is in violation of Sections 10140.6(b)(1), 10145, 10147.5(a),
 11 10160, 10161.8, 10163 and 10159.5 of the Business and Professions Code ("Code") and
 12 Sections 2715, 2731, 2752, 2753, 2831, 2831.1, 2831.2, 2832(e), 2834, 2950(d), 2950(f) and
 13 2950(h) of Title 10, Chapter 6 of the California Code of Regulations ("Regulations") and is a
 14 basis for suspension or revocation of Respondents' license and license rights as a violation of
 15 the Real Estate Law pursuant to Code Sections 10177(d) and 10177(g).

16 II.

17 The conduct of PAUL FLORES, as described in Paragraph 4, above, constitutes
 18 a failure to keep Republic Realty Services Inc. in compliance with the Real Estate Law during
 19 the time that said Respondent was the officer designated by a corporate broker licensee in
 20 violation of Code Section 10159.2 and Regulation 2725. This conduct is a basis for the
 21 suspension or revocation of Respondent's license pursuant to Code Section 10177(h).

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ORDER

WHEREFORE, THE FOLLOWING ORDER is hereby made:

I.

All licenses and licensing rights of Respondents REPUBLIC REALTY

SERVICES INC. and PAUL FLORES, under the Real Estate Law, are suspended for a period of ninety (90) 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. Respondents pay a monetary penalty pursuant to Section 10175.2 of the Business and Professions Code at the rate of \$100 per day for each day of the suspension for a monetary penalty of \$3,000 for each Respondent, or \$6,000 total.

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

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

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

5. If Respondents pay the monetary penalty and if no further cause for disciplinary action against the real estate license of a Respondent occurs within two (2) years

1 from the effective date of the Decision, the stay hereby granted shall become permanent.

2 B. The remaining sixty (60) days of the ninety (90) day suspension shall be
3 stayed for two (2) years upon the following terms and conditions:

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

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

12
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14 II.

15 Pursuant to Section 10148 of the Business and Professions Code, Respondents
16 REPUBLIC REALTY SERVICES INC. and PAUL FLORES shall pay the Commissioner's
17 reasonable cost for (a) the audit which led to this disciplinary action and (b) a subsequent audit
18 to determine if Respondents are now in compliance with the Real Estate Law. The cost of the
19 audit which led to this disciplinary action is \$14,780.92. In calculating the amount of the
20 Commissioner's reasonable cost, the Commissioner may use the estimated average hourly salary
21 for all persons performing audits of real estate brokers, and shall include an allocation for travel
22 time to and from the auditor's place of work. Said amount for the prior and subsequent audits
23 shall not exceed \$29,561.84. Respondents are jointly and severally liable for the cost of the
24 audits.

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

1 The Commissioner may suspend the license of Respondents pending a hearing

2 held in accordance with Section 11500, et seq., of the Government Code, if payment is not
3 timely made as provided for herein, or as provided for in a subsequent agreement between the
4 Respondents and the Commissioner. The suspension shall remain in effect until payment is
5 made in full or until a Respondent enters into an agreement satisfactory to the Commissioner to
6 provide for payment, or until a decision providing otherwise is adopted following a hearing held
7 pursuant to this condition.

8 III.

9 Pursuant to Section 10106 of the Business and Professions Code, Respondents

10 REPUBLIC REALTY SERVICES INC. and PAUL FLORES, shall pay the Commissioner's
11 reasonable cost for investigation and enforcement of the matter by the effective date of this
12 Decision. The investigation and enforcement cost which led to this disciplinary action is \$5,265.
13

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

22 IV.

23 Respondent PAUL FLORES shall within six (6) months from the effective date

24 of the Decision herein, take and pass the Professional Responsibility Examination administered
25 by the Bureau including the payment of the appropriate examination fee. If Respondent fails to
26 satisfy this condition, the Commissioner may order suspension of Respondent's license until
27

V.

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

VI.

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

VII.

During the two (2) year period referenced above, Respondent PAUL FLORES
shall not serve as the designated officer at any corporate real estate broker other than
REPUBLIC REALTY SERVICES INC. unless and until Respondent is the sole owner of record
of the shares of the corporation.

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VIII.

As a further condition for the Commissioner to enter into this Stipulation,

Respondents shall provide evidence satisfactory to the Real Estate Commissioner that all violations have been corrected prior to the effective date of the Stipulation.

IX.

All proof required by this Order shall be sent to the attention of Elliott Mac

Lennan, Counsel, Legal Section, Bureau of Real Estate, 320 West 4th St., Suite 350, Los Angeles, California 90013-1105.

DATED: 4-28-14

EML
ELLIOTT MAC LENNAN,
Counsel for Bureau of Real Estate

* * *

EXECUTION OF THE STIPULATION

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

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FACSIMILE

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

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11 DATED: 3/6/2014

Paul Flores
REPUBLIC REALTY SERVICES INC.
BY: PAUL FLORES, D.O.
Respondent

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15 DATED: 3/6/2014

Paul Flores
PAUL FLORES, individually and as designated
officer of Republic Realty Services Inc.,
Respondent

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19 DATED: 4/17/14

Melanie M. Miller
for STEVEN F. SPIERER, ESQ.
Attorney for Respondents

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The foregoing Stipulation and Agreement is hereby adopted as my Decision as to
Respondents REPUBLIC REALTY SERVICES INC. and PAUL FLORES, individually and as
designated officer of Republic Realty Services Inc. and shall become effective at 12 o'clock
noon on JUN 04 2014, 2014

IT IS SO ORDERED MAY 07 2014

Real Estate Commissioner



JEFFREY MASON
Chief Deputy Commissioner