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**FILED**

MAR 16 2015

BUREAU OF REAL ESTATE

By 

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

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BEFORE THE BUREAU OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of )  
)  
HOME SECURITY FINANCIAL INC.; )  
)  
RONALD CLINTON DOUGLAS, )  
individually and as designated officer of )  
Home Security Financial Inc., )  
)  
Respondents. )  
)  
)  
)

No. H-39059 LA  
STIPULATION  
AND  
AGREEMENT

It is hereby stipulated by and between Respondents HOME SECURITY FINANCIAL INC. and RONALD CLINTON DOUGLAS, individually and as designated officer of Home Security Financial Inc. (sometimes collectively referred to as "Respondents") represented by Rose Pothier, Esq. 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 ("Accusation") filed on September 30, 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

1 hearing was to be held in accordance with the provisions of the Administrative Procedure Act  
2 ("APA") shall instead and in place thereof be submitted solely on the basis of the provisions of  
3 this Stipulation and Agreement ("Stipulation.")

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

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

16           4. This Stipulation is based on the factual allegations contained in the  
17 Accusation. In the interest of expedience and economy, Respondents choose not to contest  
18 these allegations, but to remain silent and understand that, as a result thereof, these factual  
19 allegations, without being admitted or denied, will serve as a prima facie basis for the  
20 disciplinary action stipulated to herein. The Real Estate Commissioner shall not be required to  
21 provide further evidence to prove said factual allegations.  
22

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

3  
4 6. It is understood by the parties that the Real Estate Commissioner may adopt  
5 this Stipulation as his Decision in this matter thereby imposing the penalty and sanctions on  
6 Respondents' real estate licenses and license rights as set forth in the below "Order." In the  
7 event that the Commissioner in the Commissioner's discretion does not adopt the Stipulation,  
8 the Stipulation shall be void and of no effect and Respondents shall retain the right to a hearing  
9 and proceeding on the Accusation under the provisions of the APA and shall not be bound by  
10 any stipulation or waiver made herein.  
11

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

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 \$7,060.20.

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 shall not exceed \$7,060.20.  
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1                   10. Respondents understand that by agreeing to this Stipulation, Respondents  
2 agree 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 \$4,000.00

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 Respondents HOME SECURITY FINANCIAL INC. and  
10 RONALD CLINTON DOUGLAS, as described in Paragraph 4 of the Stipulation, above, is in  
11 violation of Code Sections 10085.5, 10085.6, 10145, 10146, 10159.2, and 10166.02 and  
12 Sections 2731, 2970 and 2972 of Title 10, Chapter 6 of the California Code of Regulations  
13 (“Regulations”) and is a basis for suspension or revocation of Respondents’ license and license  
14 rights as a violation of the Real Estate Law pursuant to Code Section 10177(d).

15   II.

16                   The conduct of RONALD CLINTON DOUGLAS, as described in Paragraph 4 of  
17 the Stipulation, above, constitutes a failure to supervise and to keep HOME SECURITY  
18 FINANCIAL INC. in compliance with the Real Estate Law during the time that said Respondent  
19 RONALD CLINTON DOUGLAS was the officer designated by a corporate broker licensee, in  
20 violation of Code Section 10159.2 and Regulation 2725 and is a basis for suspension or  
21 revocation of Respondent RONALD CLINTON DOUGLAS’ license and license rights as a  
22 violation of the Real Estate Law pursuant to Code Section 10177(h).

23  
24   [This section intentionally left blank]



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

2 II.

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

4 HOME SECURITY FINANCIAL INC. and RONALD CLINTON DOUGLAS shall pay the  
5 Commissioner's reasonable cost for (a) the audit which led to this disciplinary action and (b) a  
6 subsequent audit to determine if Respondents are now in compliance with the Real Estate Law.

7 The cost of the audit which led to this disciplinary action is \$7,060.20. In calculating the  
8 amount of the Commissioner's reasonable cost, the Commissioner may use the estimated  
9 average hourly salary for all persons performing audits of real estate brokers, and shall include  
10 an allocation for travel time to and from the auditor's place of work. Said amount for the prior  
11 and subsequent audits shall not exceed \$14,120.40. Respondents are jointly and severally liable  
12 for the cost of the audit.  
13

14 Respondents shall pay such cost within 60 days of receiving an invoice from the

15 Commissioner detailing the activities performed during the audit and the amount of time spent  
16 performing those activities.  
17

18 The Commissioner may suspend the licenses of Respondents pending a hearing

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

All licenses and licensing rights of Respondents HOME SECURITY

FINANCIAL INC. and RONALD CLINTON DOUGLAS, are indefinitely suspended unless or until Respondents pay the sum of \$4,000.00 for the Commissioner's reasonable cost of the investigation and enforcement which led to this disciplinary action by the effective date. Said payment must be received by the Bureau prior to the effective date of the Order in this matter.

IV.

All licenses and licensing rights of RONALD CLINTON DOUGLAS 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.

V.

Respondent RONALD CLINTON DOUGLAS shall within six (6) months from

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

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VI.

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

VII.

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13                   As a further condition for the Commissioner to enter into this Stipulation,  
14 Respondents shall provide evidence satisfactory to the Real Estate Commissioner that all  
15 violations cited in the Determination of Issues have been corrected prior to the effective date of  
16 the Decision.  
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VIII.

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19                   All proof required by this Decision, shall be sent to the attention of Bureau of  
20 Real Estate, Flag Section, P.O. Box 137013, Sacramento, CA 95813-7013. All checks, unless  
21 otherwise specified, are payable to the Bureau of Real Estate. All proof required by this  
22 Decision, and all payments required herein, may be made by either cashier's check or made by  
23 credit card. Credit card payments shall be accompanied by Form RE 909. Proof and payments  
24 shall be sent to the attention of Bureau of Real Estate, Flag Section, P.O Box 137013,  
25 Sacramento, CA 95813-7013.  
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DATED: 2-13-15

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ELLIOTT MAC LENNAN,  
Counsel for Bureau of Real Estate

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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.

MAILING/FACSIMILE

Respondents (1) shall mail the original signed signature page of the Stipulation herein to Elliott Mac Lennan: Attention: Legal Section, Bureau of Real Estate, 320 W. Fourth St., Suite 350, Los Angeles, California 90013-1105. Respondents (2) shall also facsimile a copy of signed signature page, to the Bureau at the following fax number: (213) 576-6917, Attention: Elliott Mac Lennan.

A facsimile constitutes acceptance and approval of the terms and conditions of this Stipulation. Respondents agree, acknowledge and understand that by electronically sending to the Bureau of Real Estate a facsimile copy of Respondents' actual signatures as they appear on the Stipulation that receipt of the facsimile copy by the Bureau shall be as binding on Respondents as if the Bureau of Real Estate had received the original signed Stipulation.

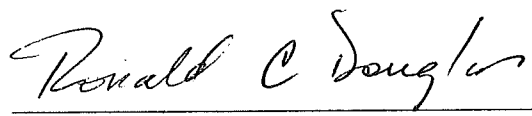
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DATED: 2-12-15



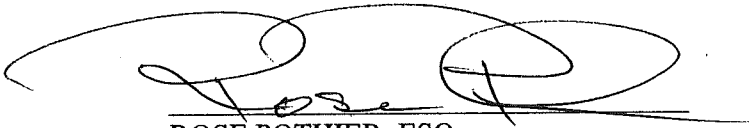
HOME SECURITY FINANCIAL INC.  
BY: RONALD CLINTON DOUGLAS D.O.  
Respondent

DATED: 2-12-15



RONALD CLINTON DOUGLAS, individually  
and as designated officer of Home Security  
Financial Inc.  
Respondent

DATED: 2-12-15



ROSE POTHIER, ESQ.  
Attorney for Respondents  
Approved as to Form

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The foregoing Stipulation and Agreement is hereby adopted as my Decision as to

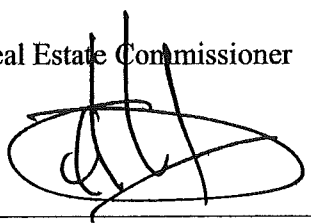
Respondents HOME SECURITY FINANCIAL INC. and RONALD CLINTON DOUGLAS,

individually and as designated officer of Home Security Financial Inc. and shall become

effective at 12 o'clock noon on April 15, 2015

IT IS SO ORDERED MARCH 6, 2015

Real Estate Commissioner



By: JEFFREY MASON  
Chief Deputy Commissioner