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AUG - 9 2019

DEPT. OF REAL ESTATE

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BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of)	No. H-41143 LA
)	
PACIFIC MORTGAGE EXCHANGE INC,)	<u>STIPULATION AND AGREEMENT</u>
and GREGORY GAIL SCHICK,)	
individually and as designated officer of)	
Pacific Mortgage Exchange Inc,)	
)	
Respondents.)	
)	

It is hereby stipulated by and between Respondents PACIFIC MORTGAGE EXCHANGE INC and GREGORY GAIL SCHICK ("Respondents") and the Complainant, acting by and through Steve Chu, Counsel for the Department of Real Estate ("Department"), as follows for the purpose of settling and disposing of the Accusation filed on August 20, 2018, 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").

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

4 3. On August 27, 2018, Respondents filed a Notice of Defense pursuant to
5 Section 11506 of the Government Code for the purpose of requesting a hearing on the
6 allegations in the Accusation. Respondents hereby freely and voluntarily withdraw said Notice
7 of Defense. Respondents acknowledge that Respondents understand that by withdrawing said
8 Notice of Defense, Respondents will thereby waive Respondents' right to require the Real
9 Estate Commissioner ("Commissioner") to prove the allegations in the Accusation at a
10 contested hearing held in accordance with the provisions of the APA and that Respondents will
11 waive other rights afforded to Respondents in connection with the hearing such as the right to
12 present evidence in defense of the allegations in the Accusation and the right to cross-examine
13 witnesses.

14 4. Respondents, pursuant to the limitations set forth below, hereby admit
15 that the factual allegations in the Accusation filed in this proceeding are true and correct and the
16 Commissioner shall not be required to provide further evidence to prove such allegations.

17 5. It is understood by the parties that the Real Estate Commissioner may
18 adopt the Stipulation as his Decision in this matter, thereby imposing the penalty and sanctions
19 on Respondents' real estate licenses and license rights as set forth in the below Order. In the
20 event that the Commissioner in his discretion does not adopt the Stipulation, it shall be void
21 and of no effect, and Respondents shall retain the right to a hearing and proceeding on the
22 Accusation under all the provisions of the APA and shall not be bound by any admission or
23 waiver made herein.

24 6. The Order or any subsequent Order of the Commissioner made pursuant
25 to this Stipulation shall not constitute an estoppel, merger or bar to any further administrative or
26 civil proceedings by the Department with respect to any matters which were not specifically
27 alleged to be causes for the Accusation in this proceeding.

1 DETERMINATION OF ISSUES

2 By reason of the foregoing stipulations, admissions, and waivers, and solely for
3 the purpose of settlement of the pending Accusation without a hearing, it is stipulated and
4 agreed that the following Determination of Issues shall be made:

5 I.

6 The conduct, acts, and/or omissions of Respondent PACIFIC MORTGAGE
7 EXCHANGE INC, as described in the Accusation, constitute cause for the suspension or
8 revocation of all real estate licenses and license rights of Respondent PACIFIC MORTGAGE
9 EXCHANGE INC under California Business and Professions Code ("Code") sections 10177(d)
10 and 10177(g) for violation of Code sections 10141.6, 10159.5, 10238(h)(4)(A), and 10240 and
11 Title 10, Chapter 6, California Code of Regulations ("Regulations") sections 2731, 2842,
12 and 2950(h).

13 II.

14 The conduct, acts, and/or omissions of Respondent GREGORY GAIL SCHICK,
15 as described in the Accusation, constitute cause for the suspension or revocation of all real
16 estate licenses and license rights of Respondent GREGORY GAIL SCHICK under Code
17 sections 10177(d) and 10177(g) for violation of Regulations section 2950(h).

18 ORDER

19 I.

20 All licenses and licensing rights of Respondent PACIFIC MORTGAGE
21 EXCHANGE INC under the Real Estate Law are suspended for a period of one hundred twenty
22 (120) days from the effective date of this Decision and Order; provided, however, that:

23 1. Sixty (60) days of said suspension shall be stayed, upon the condition
24 that Respondent petitions pursuant to Code Section 10175.2 and pays a monetary penalty
25 pursuant to Code Section 10175.2 at a rate of twenty five dollars (\$25) for each day of the
26 suspension for a total monetary penalty of \$1,500, and upon the following terms and conditions:

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1 a. Said payment shall be in the form of a cashier's check made
2 payable to the Department of Real Estate. Said check must be
3 delivered to the Department of Real Estate, Flag Section at
4 P.O. Box 137013, Sacramento, CA 95813-7013, prior to the effective
5 date of this Decision and Order.

6 b. No final determination be made after hearing or upon stipulation
7 that cause for disciplinary against any of the real estate licenses or
8 license rights of Respondent occurred within two (2) years from the
9 effective date of this Decision and Order.

10 c. If Respondent fails to pay the monetary penalty in accordance
11 with the terms and conditions of this Decision and Order, the
12 suspension shall go into effect automatically. Respondent shall not
13 be entitled to any repayment or credit, prorated or otherwise, for any
14 money paid to the Department under the terms of this Decision and
15 Order.

16 d. If Respondent pays the monetary penalty and all other money due
17 under this Stipulation and Agreement and if no final determination be
18 made after hearing or upon stipulation that cause for disciplinary
19 against any of the real estate licenses or license rights of Respondent
20 occurred within two (2) years from the effective date of this Decision
21 and Order, then the entire stay hereby granted pursuant to this
22 Decision and Order shall become permanent.

23 2. Sixty (60) days of said suspension shall be stayed for two (2) years upon
24 the following terms and conditions:

25 a. Respondent shall obey all laws, rules, and regulations governing
26 the rights, duties, and responsibilities of a real estate licensee in the
27 State of California.

1 b. No final determination be made after hearing or upon stipulation
2 that cause for disciplinary against any of the real estate licenses or
3 license rights of Respondent occurred within two (2) years from the
4 effective date of this Decision and Order. Should such a
5 determination be made, the Commissioner may, in his discretion,
6 vacate and set aside the stay order and reimpose all or a portion of the
7 stayed suspension. Should no such determination be made, the stay
8 imposed herein shall become permanent.

9 3. All licenses and licensing rights of Respondent PACIFIC MORTGAGE

10 EXCHANGE INC are indefinitely suspended unless or until Respondent PACIFIC
11 MORTGAGE EXCHANGE INC pays, jointly and severally with Respondent GREGORY
12 GAIL SCHICK, the sum of \$11,004.75 for the Commissioner's cost of the audit which led to
13 this disciplinary action. Respondent PACIFIC MORTGAGE EXCHANGE INC shall pay such
14 cost within sixty (60) days of receiving an invoice therefore from the Commissioner. Said
15 payment shall be in the form of a cashier's check made payable to the Department of Real
16 Estate. The audit cost must be delivered to the Department of Real Estate, Flag Section at
17 P.O. Box 137013, Sacramento, CA 95813-7013.

18 4. All licenses and licensing rights of Respondent PACIFIC MORTGAGE

19 EXCHANGE INC are indefinitely suspended unless or until Respondent PACIFIC
20 MORTGAGE EXCHANGE INC pays, jointly and severally with Respondent GREGORY
21 GAIL SCHICK, the sum of \$2,500.00 for the Commissioner's reasonable cost of the
22 investigation and enforcement which led to this disciplinary action. Said payment shall be in
23 the form of a cashier's check made payable to the Department of Real Estate. The investigative
24 and enforcement costs must be delivered to the Department of Real Estate, Flag Section at
25 P.O. Box 137013, Sacramento, CA 95813-7013, prior to the effective date of this Decision and
26 Order.

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1 5. Respondent PACIFIC MORTGAGE EXCHANGE INC shall pay the
2 Commissioner's reasonable cost, not to exceed \$13,755.93, for any subsequent audit to
3 determine if Respondent PACIFIC MORTGAGE EXCHANGE INC has corrected the
4 violations found in the Determination of Issues. In calculating the amount of the
5 Commissioner's reasonable cost, the Commissioner may use the estimated average hourly
6 salary for all persons performing audits of real estate brokers, and shall include an allocation for
7 travel time to and from the auditor's place of work. Respondent PACIFIC MORTGAGE
8 EXCHANGE INC shall pay such cost within sixty (60) days of receiving an invoice therefore
9 from the Commissioner. If Respondent PACIFIC MORTGAGE EXCHANGE INC fails to
10 satisfy this condition in a timely manner as provided for herein, Respondent PACIFIC
11 MORTGAGE EXCHANGE INC'S real estate licenses shall automatically be suspended until
12 payment is made in full, or until a decision providing otherwise is adopted following a hearing
13 held pursuant to this condition.

14 II.

15 All licenses and licensing rights of Respondent GREGORY GAIL SCHICK
16 under the Real Estate Law are suspended for a period of one hundred twenty (120) days from
17 the effective date of this Decision and Order; provided, however, that:

18 1. Sixty (60) days of said suspension shall be stayed, upon the condition
19 that Respondent petitions pursuant to Code Section 10175.2 and pays a monetary penalty
20 pursuant to Code Section 10175.2 at a rate of twenty five dollars (\$25) for each day of the
21 suspension for a total monetary penalty of \$1,500, and upon the following terms and conditions:

22 a. Said payment shall be in the form of a cashier's check made
23 payable to the Department of Real Estate. Said check must be
24 delivered to the Department of Real Estate, Flag Section at
25 P.O. Box 137013, Sacramento, CA 95813-7013, prior to the effective
26 date of this Decision and Order.

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b. No final determination be made after hearing or upon stipulation that cause for disciplinary against any of the real estate licenses or license rights of Respondent occurred within two (2) years from the effective date of this Decision and Order.

c. If Respondent fails to pay the monetary penalty in accordance with the terms and conditions of this Decision and Order, the suspension shall go into effect automatically. Respondent shall not be entitled to any repayment or credit, prorated or otherwise, for any money paid to the Department under the terms of this Decision and Order.

d. If Respondent pays the monetary penalty and all other money due under this Stipulation and Agreement and if no final determination be made after hearing or upon stipulation that cause for disciplinary against any of the real estate licenses or license rights of Respondent occurred within two (2) years from the effective date of this Decision and Order, then the entire stay hereby granted pursuant to this Decision and Order shall become permanent.

2. Sixty (60) days of said suspension shall be stayed for two (2) years upon the following terms and conditions:

a. Respondent shall obey all laws, rules, and regulations governing the rights, duties, and responsibilities of a real estate licensee in the State of California.

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1 b. No final determination be made after hearing or upon stipulation
2 that cause for disciplinary against any of the real estate licenses or
3 license rights of Respondent occurred within two (2) years from the
4 effective date of this Decision and Order. Should such a
5 determination be made, the Commissioner may, in his discretion,
6 vacate and set aside the stay order and reimpose all or a portion of the
7 stayed suspension. Should no such determination be made, the stay
8 imposed herein shall become permanent.

9 3. All licenses and licensing rights of Respondent are indefinitely
10 suspended unless or until Respondent provides proof satisfactory to the Commissioner of
11 having taken and successfully completed the continuing education course on trust fund
12 accounting and handling specified in Code section 10170.5(a)(3). Proof of satisfaction of this
13 requirement includes evidence that Respondent has successfully completed the trust fund
14 accounting and handling continuing education course within one hundred twenty (120) days
15 prior to the effective date of this Decision and Order. Proof of completion of the trust fund
16 accounting and handling course must be delivered to the Department of Real Estate,
17 Flag Section at P.O. Box 137013, Sacramento, CA 95813-7013, prior to the effective date of
18 this Decision and Order.

19 4. All licenses and licensing rights of Respondent GREGORY GAIL
20 SCHICK are indefinitely suspended unless or until Respondent GREGORY GAIL SCHICK
21 pays, jointly and severally with Respondent PACIFIC MORTGAGE EXCHANGE INC, the
22 sum of \$11,004.75 for the Commissioner's cost of the audit which led to this disciplinary
23 action. Respondent GREGORY GAIL SCHICK shall pay such cost within sixty (60) days of
24 receiving an invoice therefore from the Commissioner. Said payment shall be in the form of a
25 cashier's check made payable to the Department of Real Estate. The audit cost must be
26 delivered to the Department of Real Estate, Flag Section at P.O. Box 137013,
27 Sacramento, CA 95813-7013.


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2 I have read the Stipulation and Agreement. I understand that I am waiving rights
3 given to me by the California Administrative Procedure Act, (including but not limited to
4 Sections 11521 and 11523 of the Government Code), and I willingly, intelligently, and
5 voluntarily waive those rights, including the right to seek reconsideration and the right to seek
6 judicial review of the Commissioner's Decision and Order by way of a writ of mandate.

7 I agree, acknowledge, and understand that I cannot rescind or amend this
8 Stipulation and Agreement.

9 I can signify acceptance and approval of the terms and conditions of this
10 Stipulation and Agreement by mailing the original signed Stipulation and Agreement to:
11 Steve Chu, Department of Real Estate, 320 West 4th Street, Suite 350, Los Angeles,
12 California 90013-1105. Steve Chu must receive the original signed Stipulation and Agreement
13 or a copy faxed to (213) 576-6917 by July 16, 2019; if not, this Stipulation and Agreement is
14 invalid and void because the sum for the Commissioner's reasonable cost of the investigation
15 and enforcement which led to this disciplinary action will increase.

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17 DATED: 7-18-19


PACIFIC MORTGAGE EXCHANGE INC
Respondent

By GREGORY GAIL SCHICK, as designated
officer of Pacific Mortgage Exchange Inc

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21 DATED: 7-18-19


GREGORY GAIL SCHICK
Respondent

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2 The foregoing Stipulation and Agreement is hereby adopted by me as my
3 Decision in this matter as to Respondents PACIFIC MORTGAGE EXCHANGE INC and
4 GREGORY GAIL SCHICK, and shall become effective at 12 o'clock noon on
5 September 9, 2019 .

6 IT IS SO ORDERED August 6, 2019

7 DANIEL J. SANDRI
8 ACTING REAL ESTATE COMMISSIONER

9 *Daniel J. Sandri*
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