

1 DEPARTMENT OF REAL ESTATE  
2 320 West 4th Street, Suite 350  
3 Los Angeles, California 90013-1105  
4 Telephone: (213) 620-2072

**FILED**

JUL - 3 2020

DEPT. OF REAL ESTATE

By 

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7  
8 BEFORE THE DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

\* \* \* \*

10 In the Matter of the Accusation against ) DRE No. H-41455 LA  
11 ) OAH No. 2019120560  
12 CAL LOANS DIRECT, INC. and )  
13 THOMAS JESUS NAVARRO, individually and )  
14 as designated officer for Cal Loans Direct, Inc., ) STIPULATION AND  
15 Respondents. ) AGREEMENT IN SETTLEMENT  
16 ) AND ORDER  
17 )  
18 )

19 It is hereby stipulated by and between Respondents CAL LOANS DIRECT, INC. and  
20 THOMAS JESUS NAVARRO, individually and as designated officer for Cal Loans Direct, Inc.  
21 (collectively "Respondents"), represented by Scott J. Harris, Esq., and Complainant, acting by  
22 and through Lissete Garcia, Counsel for the Department of Real Estate ("Department"), as  
23 follows for the purpose of settling and disposing the Accusation filed on August 7, 2019, with  
24 Department Case No. H-41455 LA ("Accusation") 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 on the basis of the provisions of this Stipulation and

1 Agreement in Settlement and Order (“Stipulation”).

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

4           3. Notices of Defense were filed by Respondents 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 Notices of Defense. Respondents  
7 acknowledge and understand that by withdrawing said Notices of Defense, Respondents will  
8 thereby waive Respondents’ rights to require the Real Estate Commissioner (“Commissioner”) to  
9 prove the allegations in the Accusation at a contested hearing held in accordance with the  
10 provisions of the APA and that Respondents will waive other rights afforded to them in  
11 connection with the hearing such as the right to present evidence in defense of the allegations in  
12 the Accusation and the right to cross-examine witnesses.

13           4. This Stipulation is based on the factual allegations contained in the Accusation filed in  
14 this proceeding. In the interest of expedience and economy, Respondents choose not to contest  
15 these factual allegations, but to remain silent and understand that, as a result thereof, these  
16 factual statements, 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 such allegations.

19           5. This Stipulation and Respondents’ decision not to contest the Accusation are made for  
20 the purpose of reaching an agreed disposition of this proceeding and are expressly limited to this  
21 proceeding and any other proceeding or case in which the Department, or another licensing  
22 agency of this state, another state or if the federal government is involved and otherwise shall not  
23 be admissible in any other criminal or civil proceedings.

24           6. It is understood by the parties that the Real Estate Commissioner may adopt the

1 Stipulation and Agreement as the Commissioner's Decision in this matter, thereby imposing the  
2 penalty and sanctions on Respondents' real estate licenses and license rights as set forth in the  
3 below "Order." In the event that the Commissioner in his discretion does not adopt the  
4 Stipulation and Agreement, it shall be void and of no effect, and Respondents shall retain the  
5 right to a hearing and proceeding on the Accusation under all the provisions of the APA and  
6 shall not be bound by any admission or waiver made herein.

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

11 DETERMINATION OF ISSUES

12 By reason of the foregoing stipulation and agreement and solely for the purpose of  
13 settlement of the pending Accusation without a hearing, it is stipulated and agreed that the  
14 following determination of issues shall be made:

15 I.

16 The conduct, acts and/or omissions of Respondent CAL LOANS DIRECT, INC. as set  
17 forth in Paragraph 4 above, constitute cause for the suspension or revocation of all real estate  
18 licenses and license rights of Respondent CAL LOANS DIRECT, INC. under the provisions of  
19 Business and Professions Code ("Code") section 10177, subdivision (g) for violation of Code  
20 sections 10145, 10176 (e), 10166.07(a), 10140.6(b), and Title 10, Chapter 6, California Code of  
21 Regulations ("Regulation") 2832, 2831, 2831.1, 2773, and 2726.

22 II.

23 The conduct, acts and/or omissions of Respondent THOMAS JESUS NAVARRO as set  
24 forth in Paragraph 4 above, constitutes cause for the suspension or revocation of all real estate

1 licenses and license rights of Respondent THOMAS JESUS NAVARRO under the provisions of  
2 Code section 10177(h) for violation of Code section 10159.2 and Regulation 2725.

3 ORDER

4 I.

5 All licenses and license rights of Respondent CAL LOANS DIRECT, INC. are  
6 suspended for a period of sixty (60) days from the effective date of this Decision and Order;  
7 provided, however, said sixty (60) day suspension shall be stayed for two (2) years upon the  
8 following terms and conditions:

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

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

17 3. Respondent CAL LOANS DIRECT, INC. shall pay, severally or jointly  
18 with Respondent THOMAS JESUS NAVARRO, the sum of \$4,800.00 for the Commissioner's  
19 reasonable cost of the investigation and enforcement which led to this disciplinary action **within**  
20 **one-hundred and eighty (180) days from the effective date of this Decision and Order.** Said  
21 payment shall be in the form of a cashier's check made payable to the Department of Real Estate.  
22 **The investigative and enforcement costs must be delivered to the Department of Real**  
23 **Estate, Flag Section at P.O. Box 137013, Sacramento, CA 95813-7013. Payment of**  
24 **investigation and enforcement costs should not be made until the Stipulation has been**

1 **approved by the Commissioner.** If Respondents fail to satisfy this condition in a timely  
2 manner as provided for herein, Respondents' real estate licenses shall automatically be  
3 suspended until payment is made in full, or until a decision providing otherwise is adopted  
4 following a hearing held pursuant to this condition.

5 4. Pursuant to section 10148 of the Code, Respondents shall pay, severally or  
6 jointly, the sum of \$5,294.26 for the Commissioner's cost of the audit which led to this  
7 disciplinary action. **Respondents shall pay such cost within sixty (60) days of receiving an**  
8 **invoice therefore from the Commissioner. Payment of audit costs should not be made until**  
9 **Respondents receive the invoice.** If Respondents fail to satisfy this condition in a timely  
10 manner as provided for herein, Respondents' real estate licenses shall automatically be  
11 suspended until payment is made in full, or until a decision providing otherwise is adopted  
12 following a hearing held pursuant to this condition.

13 5. Respondents understand that by agreeing to this Stipulation, the findings  
14 set forth below in the Determination of Issues become final, and the Commissioner may charge  
15 Respondents for the cost of any subsequent audit, if a subsequent audit is conducted, pursuant to  
16 Code section 10148 to determine if the violations have been corrected and that Respondents are  
17 in compliance with trust fund handling requirements of the Real Estate Law. The maximum cost  
18 of the follow-up audit will not exceed one-hundred twenty-five percent (125%) of the cost of the  
19 original audit; in the instant case, the cost of the original audit is \$5,294.26, and the maximum  
20 cost of the follow-up audit will not exceed \$6,617.83. Therefore, Respondents may be charged a  
21 maximum of \$6,617.83 in the event of a subsequent audit.

22 6. Pursuant to Section 10148 of the Code, Respondents shall pay the  
23 Commissioner's reasonable cost, not to exceed \$6,617.83, for any subsequent audit, if one is  
24 performed, to determine if Respondents have corrected the violations found in the Determination

1 of Issues and that Respondents are in compliance with trust fund handling requirements of the  
2 Real Estate Law. In calculating the amount of the Commissioner's reasonable cost, the  
3 Commissioner may use the estimated average hourly salary for all persons performing audits of  
4 real estate brokers, and shall include an allocation for travel time to and from the auditor's place  
5 of work. Respondents shall pay such cost within sixty (60) days of receiving an invoice  
6 therefore from the Commissioner. **Payment of the audit costs should not be made until**  
7 **Respondents receive the invoice.** If Respondents fail to satisfy this condition in a timely  
8 manner as provided for herein, Respondents' real estate licenses shall automatically be  
9 suspended until payment is made in full, or until a decision providing otherwise is adopted  
10 following a hearing held pursuant to this condition.

11 II.

12 All licenses and license rights of Respondent THOMAS JESUS NAVARRO are  
13 suspended for a period of sixty (60) days from the effective date of this Decision and Order;  
14 provided, however, said sixty (60) day suspension shall be stayed for two (2) years upon the  
15 following terms and conditions:

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

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

24 3. Respondent THOMAS JESUS NAVARRO is jointly responsible with

1 Respondent CAL LOANS DIRECT, INC., to pay the total sum of \$4,800.00 for the  
2 Commissioner's reasonable cost of the investigation and enforcement which led to this  
3 disciplinary action **within sixty (60) days from the effective date of this Decision and Order.**  
4 Said payment shall be in the form of a cashier's check made payable to the Department of Real  
5 Estate. **The investigative and enforcement costs must be delivered to the Department of**  
6 **Real Estate, Flag Section at P.O. Box 137013, Sacramento, CA 95813-7013. Payment of**  
7 **investigation and enforcement costs should not be made until the Stipulation has been**  
8 **approved by the Commissioner.** If Respondents fail to satisfy this condition in a timely  
9 manner as provided for herein, Respondents' real estate licenses shall automatically be  
10 suspended until payment is made in full, or until a decision providing otherwise is adopted  
11 following a hearing held pursuant to this condition.

12 4. Respondent THOMAS JESUS NAVARRO shall, within eighteen (18)  
13 months from the effective date of this Decision and Order, take and pass the Professional  
14 Responsibility Examination administered by the Department including the payment of the  
15 appropriate examination fee. If Respondent fails to satisfy this condition, Respondent's real  
16 estate license shall automatically be suspended until Respondent passes the examination.

17 5. Pursuant to section 10148 of the Code, Respondents shall pay, severally or  
18 jointly, the total sum of \$5,294.26 for the Commissioner's cost of the audit which led to this  
19 disciplinary action. **Respondents shall pay such cost within sixty (60) days of receiving an**  
20 **invoice therefore from the Commissioner. Payment of audit costs should not be made until**  
21 **Respondents receive the invoice.** If Respondents fail to satisfy this condition in a timely  
22 manner as provided for herein, Respondents' real estate licenses shall automatically be  
23 suspended until payment is made in full, or until a decision providing otherwise is adopted  
24 following a hearing held pursuant to this condition.

1           6.       Respondents understand that by agreeing to this Stipulation, the findings  
2 set forth below in the Determination of Issues become final, and the Commissioner may charge  
3 Respondents for the cost of any subsequent audit, if a subsequent audit is conducted, pursuant to  
4 Code section 10148 to determine if the violations have been corrected and that Respondents are  
5 in compliance with trust fund handling requirements of the Real Estate Law. The maximum cost  
6 of the follow-up audit will not exceed one-hundred twenty-five percent (125%) of the cost of the  
7 original audit; in the instant case, the cost of the original audit is \$5,294.26, and the maximum  
8 cost of the follow-up audit will not exceed \$6,617.83. Therefore, Respondents may be charged a  
9 maximum of \$6,617.83 in the event of a subsequent audit.

10           7.       Pursuant to Section 10148 of the Code, Respondents shall pay the  
11 Commissioner's reasonable cost for any subsequent audit (said cost may not exceed a maximum  
12 of \$6,617.83) if one is performed, to determine if Respondents have corrected the violations  
13 found in the Determination of Issues and that Respondents are in compliance with trust fund  
14 handling requirements of the Real Estate Law. In calculating the amount of the Commissioner's  
15 reasonable cost, the Commissioner may use the estimated average hourly salary for all persons  
16 performing audits of real estate brokers, and shall include an allocation for travel time to and  
17 from the auditor's place of work. Respondents shall pay such cost within sixty (60) days of  
18 receiving an invoice therefore from the Commissioner. **Payment of the audit costs should not**  
19 **be made until Respondents receive the invoice.** If Respondents fail to satisfy this condition in  
20 a timely manner as provided for herein, Respondents' real estate licenses shall automatically be  
21 suspended until payment is made in full, or until a decision providing otherwise is adopted  
22 following a hearing held pursuant to this condition.

23 DATED: 5/21/2020

  
\_\_\_\_\_  
Lissete Garcia, Counsel  
Department of Real Estate



1 \* \* \*

2 EXECUTION OF THE STIPULATION


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

10 Respondents can signify acceptance and approval of the terms and conditions of this  
11 Stipulation and Agreement by electronically e-mailing a copy of the signature pages, as actually  
12 signed by Respondents, to the Department. Respondents agree, acknowledge, and understand  
13 that by electronically sending to the Department an electronic copy of Respondents' actual  
14 signatures, as they appear on the Stipulation, that receipt of the emailed copy by the Department  
15 shall be as binding on Respondents as if the Department had received the original signed  
16 Stipulation. By signing this Stipulation, Respondents understand and agree that Respondents  
17 may not withdraw their agreement or seek to rescind the Stipulation prior to the time the  
18 Commissioner considers and acts upon it or prior to the effective date of the Stipulation and  
19 Order.

20 MAILING

21 Respondents and their counsel shall, within five (5) business days from signing the  
22 Stipulation, mail the original signed signature page(s) of the Stipulation herein to Lissete Garcia,  
23 Attention: Legal Section, Department of Real Estate, 320 W. Fourth St., Room 350, Los  
24 Angeles, California 90013-1105.

1 Respondents' signatures below constitute acceptance and approval of the terms and  
2 conditions of this Stipulation. Respondents agree, acknowledge, and understand that by signing  
3 this Stipulation Respondents are bound by its terms as of the date of such signature and that this  
4 agreement is not subject to rescission or amendment at a later date except by a separate Decision  
5 and Order of the Real Estate Commissioner.

6 DATED: 5/18/20   
Respondent CAL LOANS DIRECT, INC.  
7 By (Printed Name): Thomas Navarro  
8 Title: CEO

9  
10 DATED: 5/18/20   
Respondent THOMAS JESUS NAVARRO

11  
12 DATED: 5/18/2020   
13 Scott J. Harris, Esq., Attorney for Respondents  
Approved as to Form

14 \* \* \*

15 The foregoing Stipulation and Agreement in Settlement and Order is hereby  
16 adopted by me as my Decision in this matter and shall become effective at 12 o'clock noon on  
17 \_\_\_\_\_, 2020.

18 IT IS SO ORDERED \_\_\_\_\_, 2020.

19 DOUGLAS R. MCCAULEY  
20 REAL ESTATE COMMISSIONER  
21  
22 \_\_\_\_\_  
23  
24

1 Respondents' signatures below constitute acceptance and approval of the terms and  
2 conditions of this Stipulation. Respondents agree, acknowledge, and understand that by signing  
3 this Stipulation Respondents are bound by its terms as of the date of such signature and that this  
4 agreement is not subject to rescission or amendment at a later date except by a separate Decision  
5 and Order of the Real Estate Commissioner.

6 DATED: \_\_\_\_\_  
7 Respondent CAL LOANS DIRECT, INC.  
8 By (Printed Name): \_\_\_\_\_  
9 Title: \_\_\_\_\_

10 DATED: \_\_\_\_\_  
11 Respondent THOMAS JESUS NAVARRO

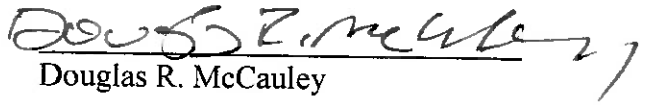
12 DATED: \_\_\_\_\_  
13 Scott J. Harris, Esq., Attorney for Respondents  
14 *Approved as to Form*

14 \* \* \*

15 The foregoing Stipulation and Agreement in Settlement and Order is hereby  
16 adopted by me as my Decision in this matter and shall become effective at 12 o'clock noon on  
17 \_\_\_\_\_ August 03, 2020.

18 IT IS SO ORDERED 6.21.20, 2020.

19 REAL ESTATE COMMISSIONER

21   
22 Douglas R. McCauley