

FILED

MAY 14 2020

DEPT. OF REAL ESTATE

By @slow

1 Department of Real Estate
2 320 W. 4th Street, Suite 350
3 Los Angeles, CA 90013-1105
4 Telephone: (213) 576-6982

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

10 * * *

11 In the Matter of the Accusation of)

No. H-41527 LA

12 CLOUD9 REAL ESTATE SERVICES INC,)
13 doing business as Cloud Escrow, a Non-)
14 Independent Broker Escrow, and Investment)
15 Trust Realty; JASMINE LEE, individually)
16 and as designated officer of Cloud9 Real)
Estate Services Inc.,)

STIPULATION AND AGREEMENT
IN SETTLEMENT AND ORDER

Respondents.)

17 It is hereby stipulated by and between Respondents CLOUD9 REAL ESTATE
18 SERVICES, INC. and JASMINE LEE, individually and as designated officer of Cloud9 Real
19 Estate Services Inc., (sometimes collectively referred to as "Respondents"), acting by and
20 through their attorney, Timothy S. Camarena, Esq. of RELAW, APC, and the Complainant,
21 acting by and through Judith B. Vasan, Counsel for the Department of Real Estate, as follows for
22 the purpose of settling and disposing of the Accusation ("Accusation") filed on October 22,
23 2019, in this matter:

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

STIPULATION AND AGREEMENT

1 this Stipulation and Agreement (“Stipulation”).

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

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

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

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

26 6. The Order or any subsequent Order of the Real Estate Commissioner made
27 pursuant to this Stipulation shall not constitute an estoppel, merger or bar to any further

1 administrative or civil proceedings by the Department with respect to any matters which were
2 not specifically alleged to be causes for accusation in this proceeding.

3 DETERMINATION OF ISSUES

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

6 The conduct, acts or omissions of Respondent CLOUD9 REAL ESTATE
7 SERVICES INC., as set forth in the Accusation, are in violation of Business and Professions
8 Code ("Code") sections 10141.6, 10145, 10159.5, and 10163 and Sections 2715, 2731, 2831,
9 2831.1, 2831.2, 2832.1, 2832, 2834, 2835, 2950(h), and 2951 of Title 10, Chapter 6, of the
10 California Code of Regulations ("Regulations") and are a basis for discipline of Respondent
11 CLOUD9 REAL ESTATE SERVICES INC's license(s) and license rights pursuant to Code
12 sections 10177(d) and/or 10177(g).

13 The conduct, acts or omissions of Respondent JASMINE LEE as set forth in the
14 Accusation, are in violation of Code section 10159.2 and Regulations section 2725 and are a
15 basis for discipline of Respondent JASMINE LEE's license(s) and license rights pursuant to
16 Code sections 10177(d), 10177(g), and/or 10177(h).

17 ORDER

18 WHEREFORE, THE FOLLOWING ORDER is hereby made:

19 (CLOUD9 REAL ESTATE SERVICES, INC.)

20 I.

21 All licenses and license rights of Respondent CLOUD9 REAL ESTATE
22 SERVICES, INC. under the Real Estate Law are suspended for a period of ninety (90) days from
23 the effective date of this Decision; provided, however, that:

24 A. The initial sixty (60) days of said suspension shall be stayed for two (2) years
25 upon the following terms and conditions:

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1 1. Respondent CLOUD9 REAL ESTATE SERVICES, INC. shall pay, a
2 monetary penalty pursuant to Code section 10175.2 at the rate of \$50.00 per day for each of the
3 sixty (60) days of suspension for a total monetary penalty of \$3,000.00.

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

8 3. No further cause for disciplinary action against the real estate licenses of
9 Respondent CLOUD9 REAL ESTATE SERVICES, INC. occurs within two (2) years from the
10 effective date of the Decision in this matter.

11 4. If Respondent CLOUD9 REAL ESTATE SERVICES, INC. fails to pay
12 the monetary penalty in accordance with the terms and conditions of the Decision, the
13 suspension shall go into effect automatically with regard to said Respondent. Respondent shall
14 not be entitled to any repayment nor credit, prorated or otherwise, for money paid to the
15 Department under the terms of this Decision and Order.

16 5. If Respondent CLOUD9 REAL ESTATE SERVICES, INC. pays the
17 monetary penalty and if no further cause for disciplinary action against the real estate licenses of
18 Respondent occurs within two (2) years from the effective date of the Decision, the stay hereby
19 granted shall become permanent.

20 B. The remaining thirty (30) days of the ninety (90) day suspension shall be
21 stayed for two (2) years upon the following terms and conditions:

22 1. That Respondent CLOUD9 REAL ESTATE SERVICES, INC. shall
23 obey all laws, rules and regulations governing the rights, duties and responsibilities of a real
24 estate licensee in the State of California; and

25 2. That no final subsequent determination be made after hearing or upon
26 stipulation, that cause for disciplinary action occurred within two (2) years from the effective
27 date of this Decision. Should such a determination be made, the Commissioner may, in her

1 discretion, vacate and set aside the stay order and re-impose all or a portion of the stayed
2 suspension. Should no such determination be made under this section, the stay imposed herein
3 shall become permanent.

4 II.

5 Pursuant to Code section 10148 of the Code, Respondent CLOUD9 REAL
6 ESTATE SERVICES, INC. shall pay the Commissioner's reasonable costs, not to exceed
7 \$9,332.35, for a subsequent audit to determine if Respondent has corrected the violations found
8 in the Determination of Issues. In calculating the amount of the Commissioner's reasonable
9 costs, the Commissioner may use the estimated average hourly salary for all persons performing
10 audits of real estate brokers, and shall include an allocation for travel time to and from the
11 auditor's place of work. Respondent CLOUD9 REAL ESTATE SERVICES, INC. shall pay
12 such costs within sixty (60) days of receiving an invoice therefor from the Commissioner.

13 Payment of the audit costs should not be made until Respondent receives the invoice. If
14 Respondent fails to satisfy this condition in a timely manner as provided for herein,
15 Respondent's real estate licenses shall automatically be suspended until payment is made in full,
16 or until a decision providing otherwise is adopted following a hearing held pursuant to this
17 condition.

18 (JASMINE LEE)

19 III.

20 All licenses and license rights of Respondent JASMINE LEE under the Real
21 Estate Law are suspended for a period of ninety (90) days from the effective date of this
22 Decision; provided, however, that:

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

25 1. Respondent JASMINE LEE shall pay a monetary penalty pursuant to
26 Code section 10175.2 at the rate of \$50.00 per day for each of the sixty (60) days of suspension
27 for a total monetary penalty of \$3,000.00.

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

5 3. No further cause for disciplinary action against the real estate licenses of
6 Respondent JASMINE LEE occurs within two (2) years from the effective date of the Decision
7 in this matter.

8 4. If Respondent JASMINE LEE fails to pay the monetary penalty in
9 accordance with the terms and conditions of the Decision, the suspension shall go into effect
10 automatically with regard to said Respondent. Respondent shall not be entitled to any repayment
11 nor credit, prorated or otherwise, for money paid to the Department under the terms of this
12 Decision and Order.

13 5. If Respondent JASMINE LEE pays the monetary penalty and if no further
14 cause for disciplinary action against the real estate licenses of Respondent occurs within two (2)
15 years from the effective date of the Decision, the stay hereby granted shall become permanent.

16 B. The remaining thirty (30) days of the ninety (90) day suspension shall be
17 stayed for two (2) years upon the following terms and conditions:

18 1. That Respondent JASMINE LEE shall obey all laws, rules and
19 regulations governing the rights, duties and responsibilities of a real estate licensee in the State of
20 California; and

21 2. That no final subsequent determination be made after hearing or upon
22 stipulation, that cause for disciplinary action occurred within two (2) years from the effective
23 date of this Decision. Should such a determination be made, the Commissioner may, in her
24 discretion, vacate and set aside the stay order and re-impose all or a portion of the stayed
25 suspension. Should no such determination be made under this section, the stay imposed herein
26 shall become permanent.

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1 C. All licenses and license rights of Respondent JASMINE LEE are indefinitely
2 suspended unless or until Respondent JASMINE LEE provides proof satisfactory to the
3 Commissioner, of having taken and successfully completed the continuing education course on
4 trust fund accounting and handling as specified in subdivision (a) of Section 10170.5 of the
5 Business and Professions Code. Proof of satisfaction of this requirement includes evidence that
6 Respondent has successfully completed the trust fund account and handling continuing education
7 course, no earlier than 120 days prior to the effective date of the Decision and Order in this
8 matter. Proof of completion of the trust fund accounting and handling course must be delivered
9 to the Department of Real Estate, Flag Section, at P.O. Box 137013, Sacramento, CA 95813-
10 7013 prior to the effective date of this Decision and Order.

11 (CLOUD9 REAL ESTATE SERVICES, INC. and JASMINE LEE)

12 III.


13 A. Pursuant to Code section 10148, Respondent CLOUD9 REAL ESTATE
14 SERVICES, INC and JASMINE LEE shall pay the Commissioner's reasonable costs for the
15 audit which led to this disciplinary action in the total amount of \$7,465.88. Respondents are
16 jointly and severally responsible for the costs of the audit. Respondents shall pay such costs
17 within sixty (60) days of receiving an invoice therefore from the Commissioner. Payment of the
18 audit costs should not be made until Respondents receive the invoice. If Respondents fail to
19 satisfy this condition in a timely manner as provided for herein, Respondents' real estate licenses
20 shall automatically be suspended until payment is made in full, or until a decision providing
21 otherwise is adopted following a hearing held pursuant to this condition.

22 B. All licenses and license rights of Respondents CLOUD9 REAL ESTATE
23 SERVICES, INC. and JASMINE LEE are indefinitely suspended unless or until Respondents
24 pay the total amount of \$827.70 for the Commissioner's reasonable costs of the enforcement,
25 which led to this disciplinary action. Respondents are jointly and severally responsible for the
26 costs of the enforcement. Said payment shall be in the form of a cashier's check made payable
27 to the Department of Real Estate. The enforcement costs must be delivered to the Department of

STIPULATION AND AGREEMENT

1 Real Estate, Flag Section, at P.O. Box 137013, Sacramento, CA 95813-7013, prior to the
2 effective date of this Decision and Order.

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5 DATED: 3-28-2020

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8 Judith B. Vasan, Counsel for
9 Department of Real Estate

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12 EXECUTION OF THE STIPULATION

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


21 Respondents shall mail the original signed signature page of the stipulation herein
22 to Judith B. Vasan, Attention: Legal Section, Department of Real Estate, 320 W. Fourth St.,
23 Suite 350, Los Angeles, California 90013-1105.

24 In the event of time constraints before an administrative hearing, Respondents can
25 signify acceptance and approval of the terms and conditions of this Stipulation and Agreement
26 by emailing a scanned copy of the signature page, as actually signed by Respondents, to the
27 Department counsel assigned to this case. Respondents agree, acknowledge and understand that
by electronically sending the Department a scan of Respondents' actual signature as it appears on
the Stipulation and Agreement that receipt of the scan by the Department shall be binding on
Respondents as if the Department had received the original signed Stipulation. Respondents shall
also mail the original signed signature page of this Stipulation to the Department counsel.


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


DATED: 3/18/20


CLOUD9 REAL ESTATE SERVICES, INC.
Respondent
By: Jasmine Lee

DATED: 3/18/20


JASMINE LEE, individually and as designated officer of Cloud9 Real Estate Services, Inc.
Respondent

DATED: 03-20-20


Timothy S. Camarena, Esq.
RELAW, APC
Counsel for Respondents
Approved as to Form *Jennifer Felten*

* * *

The foregoing Stipulation and Agreement is hereby adopted as my Decision as to Respondents CLOUD9 REAL ESTATE SERVICES, INC. and JASMINE LEE, individually and as designated officer of Cloud9 Real Estate Services, Inc., and shall become effective at 12 o'clock noon on MAY 07 2020.

IT IS SO ORDERED MAY 07 2020.

DOUGLAS R. McCAULEY
REAL ESTATE COMMISSIONER

