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DEPT. OF REAL ESTATE

By _____



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

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation against

BLACK OAK GROUP, INC. and
CRISTOPHER R. LAPP, individually and as
designated officer for Black Oak Group, Inc.

Respondents.

DRE No. H-41628 LA

OAH No. 2020050405

STIPULATION AND
AGREEMENT IN SETTLEMENT
AND ORDER

It is hereby stipulated by and between Respondents BLACK OAK GROUP, INC. and
CRISTOPHER R. LAPP (collectively "Respondents"), represented by Mary E. Work, Esq., and
the Complainant, acting by and through Lissete Garcia, Counsel for the Department of Real
Estate ("Department"), as follows for the purpose of settling and disposing the Accusation filed
on March 5, 2020, with Department Case No. H-41628 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

Stipulation and Agreement
H-41628 LA

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

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

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

DETERMINATION OF ISSUES

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

The conduct, acts and/or omissions of Respondents as set forth herein above in Paragraph 4, constitute cause for the suspension or revocation of all real estate licenses, mortgage loan originator ("MLO") license endorsements, and license rights of Respondent BOGI pursuant to the provisions of Business and Professions Code ("Code") sections 10148, 10240, 10176(a), 10177(d), 10166.07, and 10166.051(a).

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1 d. If Respondent pays the monetary penalty and any other moneys due under this
2 Stipulation and Agreement and if no further cause for disciplinary action
3 against the real estate license of said Respondent occurs within two (2) years
4 from the effective date of this Decision and Order, the entire stay hereby
5 granted pursuant to this Decision and Order, as to said Respondent only, shall
6 become permanent.

7 2. The remaining 30-days of the 60-day suspension shall be stayed for two (2) years
8 upon the following terms and conditions:

9 a. 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;
11 and,

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

19 3. Respondent BOGI shall pay, severally or jointly with Respondent CRISTOPHER
20 R. LAPP, a total amount of \$4,124.12, for the Commissioner's reasonable costs of the
21 investigation and enforcement which led to this disciplinary action. Said payment shall be in the
22 form of a cashier's check made payable to the Department of Real Estate. **The investigative and**
23 **enforcement costs must be delivered to the Department of Real Estate, Flag Section at P.O.**
24 **Box 137013, Sacramento, CA 95813-7013, within 180 days of the effective date. Payment of**

1 **investigation and enforcement costs should not be made until the Stipulation has been**
2 **approved by the Commissioner.** If Respondents fail to satisfy this condition in a timely
3 manner as provided for herein, Respondents' real estate licenses and mortgage loan originator
4 licenses endorsement shall automatically be suspended until payment is made in full, or until a
5 decision providing otherwise is adopted following a hearing held pursuant to this condition.

6 II.

7 All licenses, licensing rights, and MLO license endorsements of Respondent
8 CRISTOPHER R. LAPP ("LAPP") under the Real Estate Law are suspended for a period of 60
9 days from the effective date of this Decision and Order; provided, however, that:

10 1. The initial 30 days of said suspension shall be stayed, upon the condition that
11 Respondent LAPP petitions pursuant to Section 10175.2 of the Code and pays a monetary
12 penalty pursuant to Section 10175.2 of the Code at a rate of \$50 for each day of the suspension
13 for a total monetary penalty of \$1,500.

14 a. **Said payment shall be in the form of a cashier's check made payable to**
15 **the Department of Real Estate. Said check must be delivered to the**
16 **Department of Real Estate, Flag Section at P.O. Box 137013,**
17 **Sacramento, CA 95813-7013, prior to the effective date of this Decision**
18 **and Order.**

19 b. No further cause for disciplinary action against the Real Estate licenses of
20 Respondent occurs within two (2) years from the effective date of the
21 Decision and Order in this matter.

22 c. If Respondent fails to pay the monetary penalty in accordance with the terms
23 and conditions of this Decision and Order, the suspension shall go into effect
24 automatically. Respondent shall not be entitled to any repayment nor credit,

1 prorated or otherwise, for money paid to the Department under the terms of
2 this Decision and Order

3 d. If Respondent pays the monetary penalty and any other moneys due under this
4 Stipulation and Agreement and if no further cause for disciplinary action
5 against the real estate license of said Respondent occurs within two (2) years
6 from the effective date of this Decision and Order, the entire stay hereby
7 granted pursuant to this Decision and Order, as to said Respondent only, shall
8 become permanent.

9 2. The remaining 30-days of the 60-day suspension shall be stayed for two (2) years
10 upon the following terms and conditions:

- 11 a. Respondent shall obey all laws, rules and regulations governing the rights,
12 duties and responsibilities of a real estate licensee in the State of California;
13 and,
14 b. That no final subsequent determination be made, after hearing or upon
15 stipulation, that cause for disciplinary action occurred within two (2) years
16 from the effective date of this Decision and Order. Should such a
17 determination be made, the Commissioner may, in his discretion, vacate and
18 set aside the stay order and reimpose all or a portion of the stayed suspension.
19 Should no such determination be made, the stay imposed herein shall become
20 permanent.

21 3. Respondent LAPP shall pay, severally or jointly with Respondent BOGI, a total
22 amount of \$4,124.12, for the Commissioner's reasonable costs of the investigation and
23 enforcement which led to this disciplinary action. Said payment shall be in the form of a
24 cashier's check made payable to the Department of Real Estate. The investigative and

1 enforcement costs must be delivered to the Department of Real Estate, Flag Section at P.O. Box
2 137013, Sacramento, CA 95813-7013, **within 180 days of the effective date. Payment of**
3 **investigation and enforcement costs should not be made until the Stipulation has been**
4 **approved by the Commissioner.** If Respondents fail to satisfy this condition in a timely
5 manner as provided for herein, Respondents' real estate licenses and mortgage loan originator
6 licenses endorsement shall automatically be suspended until payment is made in full, or until a
7 decision providing otherwise is adopted following a hearing held pursuant to this condition.

8 4. Respondent LAPP shall, **within nine (9) months from the effective date of this**
9 **Decision and Order**, present evidence satisfactory to the Commissioner that Respondent has,
10 since the most recent issuance of an original or renewal real estate license, taken and successfully
11 completed the continuing education requirements of Article 2.5 of Chapter 3 of the Real Estate
12 Law for renewal of a real estate license. If Respondent fails to satisfy this condition,
13 Respondent's real estate license shall automatically be suspended until Respondent presents
14 evidence satisfactory to the Commissioner of having taken and successfully completed the
15 continuing education requirements. **Proof of completion of the continuing education courses**
16 **must be delivered to the Department of Real Estate, Flag Section at P.O. Box 137013,**
17 **Sacramento, CA 95813-7013.**

18 5. Respondent LAPP shall, **within twelve (12) months from the effective date of**
19 **this Decision and Order**, take and pass the Professional Responsibility Examination
20 administered by the Department including the payment of the appropriate examination fee. If
21 Respondent fails to satisfy this condition, Respondent's real estate license shall automatically be
22 suspended until Respondent passes the examination.

23 DATED: 10/20/2020

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Lissete Garcia, Counsel
Department of Real Estate

We have read this Stipulation and 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 APA (including, but not limited to, Sections 11506, 11508, 11509, and 11513 of the Government Code), and we 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.

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

DATED: 10/15/2020


Respondent BLACK OAK GROUP, INC.

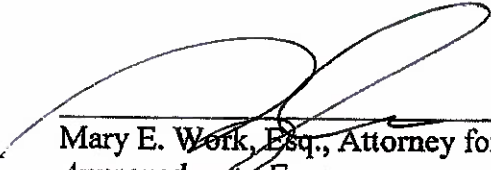
By (Printed Name): Christopher Lee

Title: President

1 DATED: 10/15/2020


Respondent CRISTOPHER R. LAPP

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3 DATED: 10/22/2020


Mary E. Work, Esq., Attorney for Respondents
Approved as to Form

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7 The foregoing Stipulation and Agreement in Settlement and Order is hereby adopted by
8 me as my Decision in this matter and shall become effective at 12 o'clock noon
9 on December 30, 2020.

10 IT IS SO ORDERED 11-19-20

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12 REAL ESTATE COMMISSIONER

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14 
15 DOUGLAS R. McCAULEY