

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

**FILED**  
DEC 18 2022  
DEPT. OF REAL ESTATE  
By 

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6  
7  
8 BEFORE THE DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of ) DRE No. H-42002 LA  
12 ) OAH No. 2022010276  
13 ACTION FUNDING, INC.; and )  
14 ARI NATHAN WALDSTEIN, individually )  
15 and as Designated Officer of Action Funding Inc., )  
16 Respondents. ) STIPULATION AND AGREEMENT  
 ) IN SETTLEMENT AND ORDER

17 It is hereby stipulated by and between Respondents ACTION FUNDING, INC.  
18 and ARI NATHAN WALDSTEIN, individually and as Designated Officer of Action Funding,  
19 Inc., (sometimes collectively referred to as "Respondents"), acting by and through their attorney,  
20 Frank M. Buda, Esq., and the Complainant, acting by and through Judith B. Vasan, Counsel for  
21 the Department of Real Estate, as follows for the purpose of settling and disposing of the  
22 Accusation ("Accusation") filed on September 10, 2021, in this matter:

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

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

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

12                   4. Respondents hereby admit that the factual allegations of the Accusation filed  
13 in this proceeding are true and correct and the Real Estate Commissioner shall not be required to  
14 provide further evidence of such allegations.

15                   5. This Stipulation is made for the purpose of reaching an agreed disposition of  
16 this proceeding and is expressly limited to this proceeding and not any other proceeding or case  
17 in which the Department, or another licensing agency of this state, another state, or the federal  
18 government is involved, and otherwise shall not be admissible in any criminal or civil  
19 proceeding.

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

27 ///

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

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 The conduct, acts or omissions of Respondent ACTION FUNDING, INC., as set  
9 forth in the Accusation, are in violation of Code sections 10145, 10176(e), 10232.2, 10232.25,  
10 and 10238(k)(3) and Sections 2831, 2831.1, 2831.2, 2832.1, 2835, 2846(j), 2846.5, 2846.7, and  
11 2846.8 of Title 10, Chapter 6 of the California Code of Regulations ("Regulations") and are a  
12 basis for discipline of Respondent's licenses and licensing rights pursuant to Code sections  
13 10177(d).

14 The conduct, acts or omissions of Respondent ARI NATHAN WALDSTEIN, as  
15 set forth in the Accusation, are in violation of Code section 10159.2 and Regulation section 2725  
16 and are a basis for discipline of Respondent's licenses and licensing rights pursuant to Code  
17 sections 10177(d), 10177(g), and/or 10177(h).

18 ORDER

19 WHEREFORE, THE FOLLOWING ORDER is hereby made:

20 (ACTION FUNDING, INC.)

21 I.

22 All licenses and licensing rights of Respondent ACTION FUNDING, INC. under  
23 the Real Estate Law are suspended for a period of sixty (60) days from the effective date of this  
24 Decision; provided, however, that:

25 A. The initial thirty (30) days of said suspension shall be stayed upon the  
26 following terms and conditions:

27

1                   1. Respondent shall pay a monetary penalty pursuant to Code section  
2 10175.2 at the rate of \$50.00 per day for each of the thirty (30) days of suspension for a total  
3 monetary penalty of \$1,500.00.

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, **within thirty (30) days from the**  
7 **effective date of this Decision and Order.**

8                   3. No further cause for disciplinary action against the real estate license of  
9 Respondent occurs within two (2) years from the effective date of the Decision in this matter.

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

14                  5. If Respondent pays the monetary penalty and if no further cause for  
15 disciplinary action against the restricted real estate license of Respondent occurs within two (2)  
16 years from the effective date of the Decision, the entire stay hereby granted pursuant to this  
17 Decision and Order shall become permanent.

18                  B. The remaining thirty (30) days shall be stayed for two (2) years upon the  
19 following terms and conditions:

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

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

(ARI NATHAN WALDSTEIN)

II.

All licenses and license rights of Respondent ARI NATHAN WALDSTEIN under the Real Estate Law are suspended for a period of sixty (60) days from the effective date of this Decision and Order; provided, however, that:

A. The initial thirty (30) days of said suspension shall be stayed upon the following terms and conditions:

1. Respondent shall pay a monetary penalty pursuant to Code section 10175.2 at the rate of \$50.00 per day for each of the thirty (30) days of suspension for a total monetary penalty of \$1,500.00.

2. Said payment shall be in the form of a cashier's check made payable to the Department of Real Estate. Said check must be delivered to the Department of Real Estate, Flag Section, P.O. Box 137013, Sacramento, CA 95813-7013, **within thirty (30) days from the effective date of this Decision and Order.**

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

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

5. If Respondent pays the monetary penalty and if no further cause for disciplinary action against the restricted real estate license of Respondent occurs within two (2) years from the effective date of the Decision, the entire stay hereby granted pursuant to this Decision and Order shall become permanent.

B. The remaining thirty (30) days shall be stayed for two (2) years upon the following terms and conditions:

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

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

9 (ACTION FUNDING, INC. and ARI NATHAN WALDSTEIN – AUDIT COSTS)

10 III.

11 Pursuant to Code section 10148, Respondents ACTION FUNDING, INC. and  
12 ARI NATHAN WALDSTEIN shall pay the Commissioner's reasonable costs for the audit which  
13 led to this disciplinary action in the amount of \$6,457.50. Respondents are jointly and severally  
14 liable for the costs of the audit. Respondents shall pay such costs **within sixty (60) days of**  
15 **receiving an invoice** therefore from the Commissioner. Payment of the audit costs should not be  
16 made until Respondents receive the invoice. If Respondents fail to satisfy this condition in a  
17 timely manner as provided for herein, Respondents' real estate licenses shall automatically be  
18 suspended until payment is made in full, or until a decision providing otherwise is adopted  
19 following a hearing held pursuant to this condition.

20 IV.

21 Pursuant to Code section 10148 of the Code, Respondents ACTION FUNDING,  
22 INC. and ARI NATHAN WALDSTEIN shall pay the Commissioner's reasonable costs, not to  
23 exceed \$8,071.86, for a subsequent audit to determine if Respondents have corrected the  
24 violations found in the Determination of Issues. In calculating the amount of the Commissioner's  
25 reasonable costs, the Commissioner may use the estimated average hourly salary for all persons  
26 performing audits of real estate brokers, and shall include an allocation for travel time to and  
27 from the auditor's place of work. Respondents shall pay such costs within sixty (60) days of

1 receiving an invoice therefore from the Commissioner. Payment of the audit costs should not be  
2 made until Respondents receive the invoice. If Respondents fail to satisfy this condition in a  
3 timely manner as provided for herein, Respondents' real estate license shall automatically be  
4 suspended until payment is made in full, or until a decision providing otherwise is adopted  
5 following a hearing held pursuant to this condition.

6 (ACTION FUNDING, INC. and ARI NATHAN WALDSTEIN – INVESTIGATION and  
7 ENFORCEMENT COSTS)

8 V.

9 All licenses and license rights of Respondents ACTION FUNDING, INC and  
10 ARI NATHAN WALDSTEIN are indefinitely suspended unless or until Respondents pay the  
11 sum of \$2,836.25 (\$1,905.05 investigation plus \$931.20 enforcement costs) for the  
12 Commissioner's reasonable costs of the investigation and enforcement, which led to this  
13 disciplinary action. Respondents are jointly and severally liable for the costs of the investigation  
14 and enforcement. Said payment shall be in the form of a cashier's check made payable to the  
15 Department of Real Estate. The investigative and enforcement costs must be delivered to the  
16 Department of Real Estate, Flag Section, at P.O. Box 137013, Sacramento, CA 95813-7013,  
17 **prior to the effective date of this Decision and Order.**

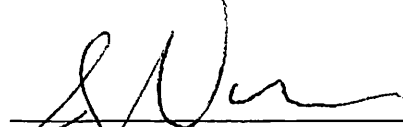
18 (2021 TRUST ACCOUNT REPORT)

19 VI.

20 Respondents ACTION FUNDING, INC and ARI NATHAN WALDSTEIN shall  
21 submit the annual Trust Account Report (TAR) of Respondents' trust fund financial statements  
22 for the fiscal year ending December 31, 2021, as required under Code section 10232.2(a),  
23 within ninety (90) days from the effective date of this Decision and Order. The TAR must be  
24 completed by an independent public accountant pursuant to Code section 10232.2(a) and  
25 Regulations section 2846.5. If Respondents fail to satisfy this condition in a timely manner as  
26 provided for herein, Respondents' real estate license shall automatically be suspended until the  
27 TAR is received by the Department. The TAR for 2021 must be delivered to the Department of

1 Real Estate, Flag Section, at P.O. Box 137013, Sacramento, CA 95813-7013, **within ninety**  
2 **(90) days from the effective date of this Decision and Order.**

3  
4 DATED: 10-7-2022

  
5 Judith B. Vasan, Counsel for  
6 Department of Real Estate

7 \* \* \*

8 EXECUTION OF THE STIPULATION

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

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

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

Respondents' signatures below constitute acceptance and approval of the terms



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

5  
6 DATED: 10/7/22 *Ari Waldstein*  
7 ACTION FUNDING, INC.  
8 Respondent  
9 By: *Ari Waldstein*

10 DATED: 10/7/22 *Ari Waldstein*  
11 ARI NATHAN WALDSTEIN, individually and  
12 as Designated Officer of Action Funding, Inc.  
13 Respondent

14 DATED: 10-7-22 *Frank M. Buda*  
15 Frank M. Buda, Esq.  
16 Counsel for Respondents  
17 Approved as to Form

18 \* \* \*

19 The foregoing Stipulation and Agreement is hereby adopted as my Decision as to  
20 Respondents ACTION FUNDING, INC. and ARI NATHAN WALDSTEIN, individually and as  
21 Designated Officer of Action Funding, Inc, and shall become effective at 12 o'clock noon on  
22 JAN 23 2023.

23 IT IS SO ORDERED 12. 2. 22.

24 DOUGLAS R. McCAULEY  
25 REAL ESTATE COMMISSIONER

26  
27 *Douglas R. McCauley*

STIPULATION AND AGREEMENT IN SETTLEMENT AND ORDER