

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

FILED

MAY 03 2023

DEPT. OF REAL ESTATE

By 

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of
12 SERGIO ORLANDO VALDES,
13 Respondent.

No. H-42434-LA

**STIPULATION AND AGREEMENT
IN SETTLEMENT AND ORDER**

15 It is hereby stipulated and agreed by and between Respondent SERGIO ORLANDO
16 VALDES ("Respondent" or "VALDES") and the Complainant, acting by and through Laurence D.
17 Haveson, Counsel for the Department of Real Estate ("Department"), as follows for the purpose of
18 settling and disposing of the Accusation filed on September 13, 2022 ("Accusation") in this matter:

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

24 2. Respondent has received, read, and understands the Statement to Respondent, the
25 Discovery Provisions of the APA, and the Accusation filed by the Department of Real Estate in this
26 proceeding.

27 3. On October 13, 2022, Respondent filed a Notice of Defense pursuant to section
28 11506 of the Government Code for the purpose of requesting a hearing on the allegations in the

1 Accusation. Respondent hereby freely and voluntarily withdraws said Notice of Defense.
2 Respondent acknowledges that Respondent understands that by withdrawing said Notice of
3 Defense, Respondent will thereby waive Respondent's right to require the Real Estate
4 Commissioner ("Commissioner") to prove the allegations in the Accusation at a contested hearing
5 held in accordance with the provisions of the APA and that Respondent will waive other rights
6 afforded to Respondent in connection with the hearing such as the right to present evidence in
7 defense of the allegations in the Accusation and the right to cross-examine witnesses.

8 4. Respondent, pursuant to the limitations set forth below, hereby admits that the factual
9 allegations in the Accusation filed in this proceeding are true and correct and the Commissioner
10 shall not be required to provide further evidence to prove such allegations.

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

17 6. The Order or any subsequent Order of the Commissioner made pursuant to this
18 Stipulation shall not constitute an estoppel, merger or bar to any further administrative or civil
19 proceedings by the Department with respect to any matters that were not specifically alleged to be
20 causes of accusation in this proceeding.

21 DETERMINATION OF ISSUES

22 By reason of the foregoing stipulations, admissions and waivers and solely for the purpose
23 of settlement of the pending Accusation without a hearing, it is stipulated and agreed that the
24 following determination of issues shall be made:

25 The conduct, acts or omissions of Respondent VALDES, as set forth in the Accusation, are
26 a basis for discipline of Respondent's real estate license, mortgage loan originator ("MLO") license
27 endorsement, and license rights pursuant to the Real Estate Law, Part 1 of Division 4 of the

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California Business and Professions Code ("Code") sections 10166.05(c), 10166.051(a), 10166.051(b), 10177(d), 10177(g) and/or 10177(j).

ORDER

WHEREFORE, THE FOLLOWING ORDER is hereby made:

I. SUSPENSION OF MLO LICENSE ENDORSEMENT

1. All MLO license endorsements and endorsement rights of Respondent under the Real Estate Law are suspended for a period of ninety (90) days from the Effective Date of this Decision and Order.

2. Respondent may submit a renewal application for an MLO license endorsement through the National Mortgage Licensing System and Registry ("NMLS") during the renewal and/or reinstatement periods occurring between November 1, 2022, and February 28, 2023, with the understanding that the Department reserves the rights to fully investigate such renewal application for MLO license endorsement and may either approve or deny such application pursuant to the normal process for endorsement investigations.

3. Respondent understands that if Respondent fails to submit a renewal application before March 1, 2023, Respondent must submit a new application through NMLS, and may be subject to payment of filing fees, background and credit checks, fingerprinting, and other NMLS requirements.

4. Respondent further agrees that Respondent must satisfy the Education and Administrative Penalty provisions prior to reinstatement of their MLO license endorsement or issuance of another MLO license endorsement.

II. MORTGAGE LOAN ORIGINATION EDUCATION

1. Respondent shall, within ninety (90) days from the Effective Date of this Decision and Order, take and complete the following mortgage loan originator education requirements:

a. Twenty (20) hours of NMLS approved pre-licensure education ("PE"), which shall consist of fourteen (14) hours of federal law curriculum, three (3) hours of ethics curriculum, and three (3) hours of non-traditional mortgage lending curriculum.

None of these twenty (20) hours of PE may be state-specific curriculum;

b. Eight (8) hours of continuing education ("CE"), which shall consist of four (4) hours of federal law curriculum, two (2) hours of ethics curriculum, and two (2) hours of non-traditional mortgage lending curriculum. None of these eight (8) hours of CE may be state-specific curriculum.

2. Respondent may not take any of the PE provided for in Paragraph 1(a) of this Section in an online self-study format ("OSS"). Respondent may take the CE provided for in Paragraph 1(b) in any format.

3. For a period of three (3) years from the Effective Date of this Order, Respondent is required to complete any additional PE and/or CE required under the SAFE Act in a format other than OSS. If Respondent fails to comply with this condition, the renewal application or new application of Respondent will be deemed incomplete by the Department.

4. If Respondent fails to timely satisfy the education provided for in Paragraph 1 of this section, Respondent's MLO license endorsement shall remain suspended until Respondent presents evidence satisfactory to the Commissioner of having taken and successfully completed the education requirements.

5. Respondent agrees that the CE provided for in Paragraph 1 of this section is in addition to any NMLS education required for licensure under the SAFE Act. The CE provided for in Paragraph 1 will not count toward satisfying 2023 or 2024 standard SAFE Act CE requirements.

6. Respondent further agrees that the Department may exercise its examination or investigative authority pursuant to the normal process for such authorized under the Real Estate Law and Commissioner's Regulations in the instance a determination is made wherein Respondent is found to be in violation of the education requirements under this section.

III. ADMINISTRATIVE PENALTY

All licenses and licensing rights of Respondent are indefinitely suspended unless or until Respondent pays an administrative penalty of \$1,500.00. Said payment shall be in the form of a cashier's check made payable to the Department of Real Estate. The payment must be delivered to

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

3 IV. STAYED SUSPENSION OF REAL ESTATE LICENSE

4 All licenses and licensing rights of Respondent under the Real Estate Law, with the
5 exception of the MLO license endorsements (NMLS ID 1660782 (individual); NMLS ID 2063849
6 (company)) referenced in Section I above, are suspended for a period of ninety (90) days from the
7 Effective Date of this Decision; provided, however, that all ninety (90) days of said suspension shall
8 be stayed for one (1) year upon the following terms and conditions:

9 1. Respondent shall obey all laws, rules and regulations governing the rights, duties and
10 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 stipulation,
12 that cause for disciplinary action occurred within one (1) year from the effective date of this Decision
13 and Order. Should such a determination be made, the Commissioner may, in his discretion, vacate
14 and set aside the stay order and reimpose all or a portion of the stayed suspension. Should no such
15 determination be made, the stay imposed herein shall become permanent.

16 V. INVESTIGATION AND ENFORCEMENT COSTS

17 All licenses and licensing rights of Respondent are indefinitely suspended unless or until
18 Respondent pays the sum of \$701.50 for the Commissioner's reasonable costs of the investigation
19 (\$413.50) and enforcement (\$288.00), which led to this disciplinary action. Said payment shall be
20 in the form of a cashier's check made payable to the Department of Real Estate. The payment of the
21 investigative and enforcement costs must be delivered to the Department of Real Estate, Flag
22 Section, at P.O. Box 137013, Sacramento, CA 95813-7013, prior to the Effective Date of this
23 Decision and Order.

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25 April 3, 2023
DATED



Laurence D. Haveson,
Counsel for Complainant

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EXECUTION OF THE STIPULATION

I have read the Stipulation and Agreement. I understand its terms and they are agreeable and acceptable to me. I understand that I am waiving rights given to me by the California Administrative Procedure Act (including but not limited to Sections 11506, 11508, 11509 and 11513 of the Government Code), and I 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 I would have the right to cross-examine witnesses against me and to present evidence in defense and mitigation of the charges.

Respondent can signify acceptance and approval of the terms and conditions of this Stipulation and Agreement by electronically e-mailing a copy of the signature pages, as actually signed by Respondent, to the Department. Respondent agrees, acknowledges, and understands that by electronically sending to the Department an electronic copy of Respondent's actual signature, as it appears on the Stipulation, that receipt of the emailed copy by the Department shall be as binding on Respondent as if the Department had received the original signed Stipulation. By signing this Stipulation, Respondent understands and agrees that Respondent may not withdraw her 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.

MAILING

Respondent shall, within five (5) business days from signing the Stipulation, mail the original signed signature page(s) of the Stipulation herein to Laurence Haveson, Attention: Legal Section, Department of Real Estate, 320 W. Fourth St., Room 350, Los Angeles, California 90013-1105.

Respondent's signature below constitutes acceptance and approval of the terms and conditions of this Stipulation. Respondent agrees, acknowledges, and understands that by signing this Stipulation Respondent is bound by its terms as of the date of such signature and that this

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1 agreement is not subject to rescission or amendment at a later date except by a separate Decision
2 and Order of the Real Estate Commissioner.

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4 DATED: Mar 30, 2023


Respondent SERGIO ORLANDO VALDES

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9 The foregoing Stipulation and Agreement in Settlement and Order is hereby adopted by me
10 as my Decision in this matter and shall become effective at 12 o'clock noon on

11 May 23, 2023.

12 IT IS SO ORDERED 4.26.23.

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14 DOUGLAS R. McCAULEY
15 REAL ESTATE COMMISSIONER