

**FILED**

**MAR 09 2023**

**DEPT. OF REAL ESTATE**  
By 

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 Against	)	DRE No. H-42435 LA
12		)	
13	UMER KHAN,	)	<u>STIPULATION AND AGREEMENT</u>
14	Respondent.	)	<u>IN SETTLEMENT AND ORDER</u>

15  
16 It is hereby stipulated by and between UMER KHAN (“Respondent”), represented by  
17 Scott J. Harris, Esq., and the Complainant, acting by and through Diane Lee, Esq., Counsel for  
18 the Department of Real Estate, as follows for the purpose of settling and disposing of the  
19 Accusation filed on September 28, 2022, in this matter:

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

25 2. Respondent received, read, and understands the Statement to Respondent, the  
26 Discovery Provisions of the APA and the Accusation filed by the Department of Real Estate  
27 (“Department”) in this proceeding.

1           3. Respondent understands by signing this Stipulation and Agreement, provided this  
2 Stipulation and Agreement is accepted and signed by the Real Estate Commissioner, Respondent  
3 is waiving Respondent's right to require the Commissioner to prove the allegations in the  
4 Accusation at a contested hearing held in accordance with the provisions of the APA, and that  
5 Respondent will waive other rights afforded to Respondent in connection with the hearing, such  
6 as the right to present evidence in her defense and the right to cross-examine witnesses.

7           4. This Stipulation is based on the factual allegations contained in the Accusation filed in  
8 this proceeding. In the interest of expedience and economy, Respondent chooses not to contest  
9 these factual allegations, but to remain silent and understands that, as a result thereof, these  
10 factual statements, will serve as a prima facie basis for the disciplinary action stipulated to  
11 herein. The Real Estate Commissioner shall not be required to provide further evidence to prove  
12 such allegations.

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

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

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1 DETERMINATION OF ISSUES

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

5 The conduct, acts or omissions of Respondent UMER KHAN, as set forth in the  
6 Accusation, are a basis for discipline of Respondent’s real estate license, mortgage loan  
7 originator (“MLO”) license endorsement, and license rights pursuant to the Real Estate Law, Part  
8 1 of Division 4 of the California Business and Professions Code (“Code”) sections 10166.05(c),  
9 10166.051(a), 10166.051(b), 10177(d), and 10177(g) and/or 10177(j).

10  
11 ORDER

12 WHEREFORE, THE FOLLOWING ORDER is hereby made:

13  
14 I. SUSPENSION OF MLO LICENSE ENDORSEMENT

15 1. All MLO license endorsements and endorsement rights of Respondent under the Real  
16 Estate Law are suspended for a period of one hundred and eighty (180) days from the effective  
17 date of this Decision and Order.

18 2. If the suspension of the MLO license endorsement expires, Respondent may submit a  
19 renewal application for an MLO license endorsement through the NMLS during the renewal  
20 and/or reinstatement periods occurring between November 1, 2022, and February 28, 2023, with  
21 the understanding that the Department reserves the rights to fully investigate such renewal  
22 application for MLO license endorsement and may either approve or deny such application  
23 pursuant to the normal process for endorsement investigations.

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

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

## 4 5                                   II. MORTGAGE LOAN ORIGINATION EDUCATION

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

8                           a) Twenty (20) hours of NMLS approved pre-licensure education (“PE”), which  
9                           shall consist of fourteen (14) hours of federal law curriculum, three (3) hours of  
10                          ethics curriculum, and three (3) hours of non-traditional mortgage lending  
11                          curriculum. None of these twenty (20) hours of PE may be state-specific  
12                          curriculum;

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

17           2. Respondent may not take any of the PE provided for in Paragraph 1(a) of this Section  
18 in an online self-study format (“OSS”). Respondent may take the CE provided for in Paragraph  
19 1(b) in any format.

20           3. For a period of three (3) years from the effective date of this Order, Respondent shall  
21 be required to complete any additional required PE and/or CE in a format other than OSS. If  
22 Respondent fails to comply with this condition, the renewal application or new application of  
23 Respondent will be deemed incomplete by the Department.

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

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

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

### 8 9 III. ADMINISTRATIVE PENALTY

10 All licenses and licensing rights of Respondent are indefinitely suspended unless or until  
11 Respondent pays an administrative penalty of \$1,500.00. Said payment shall be in the form of a  
12 cashier's check made payable to the Department of Real Estate. The payment must be delivered  
13 to the Department of Real Estate, Flag Section, at P.O. Box 137013, Sacramento, CA 95813-  
14 7013, prior to the effective date of this Decision and Order.

### 15 16 IV. STAYED SUSPENSION OF REAL ESTATE LICENSE

17 All licenses and licensing rights of Respondent under the Real Estate Law, with the  
18 exception of the MLO license endorsement (NMLS ID 244004) referenced in Section I above,  
19 are suspended for a period of ninety (90) days from the effective date of this Decision; provided,  
20 however, that all ninety (90) days of said suspension shall be stayed for one (1) year upon the  
21 following terms and conditions:

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


24 2. That no final subsequent determination be made, after hearing or upon stipulation, that  
25 cause for disciplinary action occurred within one (1) year from the effective date of this Decision  
26 and Order. Should such a determination be made, the Commissioner may, in his discretion,  
27 vacate and set aside the stay order and reimpose all or a portion of the stayed suspension. Should

1 no such determination be made, the stay imposed herein shall become permanent.

2  
3 **V. INVESTIGATION AND ENFORCEMENT COSTS**

4 Respondent shall, within three (3) months of the effective date of this Decision and  
5 Order, pay the sum of \$1,198.80 for the Commissioner's reasonable costs of the investigation  
6 (\$501.30) and enforcement (\$697.50), which led to this disciplinary action. Said payment shall  
7 be in the form of a cashier's check made payable to the Department of Real Estate. The payment  
8 of the investigative and enforcement costs must be delivered to the Department of Real Estate,  
9 Flag Section, at P.O. Box 137013, Sacramento, CA 95813-7013, within three (3) months from  
10 the effective date of this Decision and Order. If the costs of investigation and enforcement are  
11 not paid within three (3) months from the effective date of this Decision and Order, the license  
12 and license rights of Respondent shall automatically be suspended until full payment is made.

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14 DATED: 02/04/2023

  
\_\_\_\_\_  
Diane Lee, Counsel for  
Department of Real Estate

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16 **EXECUTION OF THE STIPULATION**

17 I have read the Stipulation and its terms are understood by me and are agreeable and  
18 acceptable to me. I understand that I am waiving rights given to me by the California  
19 Administrative Procedure Act (including but not limited to Sections 11506, 11508, 11509 and  
20 11513 of the Government Code), and I willingly, intelligently and voluntarily waive those rights,  
21 including the right of requiring the Commissioner to prove the allegations in the Accusation at a  
22 hearing at which I would have the right to cross-examine witnesses against me and to present  
23 evidence in defense and mitigation of the charges.

24 Respondent shall mail the original signed signature page of the stipulation herein to  
25 Diane Lee, Attention: Legal Section, Department of Real Estate, 320 W. Fourth St., Suite 350,  
26 Los Angeles, California 90013-1105.

27 In the event of time constraints before an administrative hearing, Respondent can signify

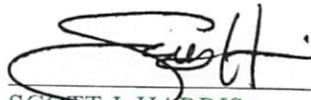
1 acceptance and approval of the terms and conditions of this Stipulation and Agreement by  
2 emailing a scanned copy of the signature page, as actually signed by Respondent, to the  
3 Department counsel assigned to this case. Respondent agrees, acknowledges, and understands  
4 that by electronically sending the Department a scan of Respondent's actual signature as it  
5 appears on the Stipulation and Agreement that receipt of the scan by the Department shall be  
6 binding on Respondent as if the Department had received the original signed Stipulation and  
7 Agreement.

8 Respondent's signature below constitutes acceptance and approval of the terms and  
9 conditions of this Stipulation. Respondent agrees, acknowledges, and understands that by signing  
10 this Stipulation, Respondent is bound by its terms as of the date of such signatures, and that this  
11 agreement is not subject to rescission or amendment at a later date except by a separate Decision  
12 and Order of the Real Estate Commissioner.

13  
14 DATED: 2/01/23

  
\_\_\_\_\_  
UMER KHAN  
Respondent

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16  
17 DATED: February 2, 2023

  
\_\_\_\_\_  
SCOTT J. HARRIS  
Counsel for Umer Khan  
Approved as to form

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19  
20 The foregoing Stipulation and Agreement is hereby adopted as my Decision as to  
21 Respondent UMER KHAN and shall become effective at 12 o'clock noon on

22 \_\_\_\_\_

23 IT IS SO ORDERED \_\_\_\_\_

24  
25 DOUGLAS R. McCAULEY  
26 REAL ESTATE COMMISSIONER  
27 \_\_\_\_\_



1 acceptance and approval of the terms and conditions of this Stipulation and Agreement by  
2 emailing a scanned copy of the signature page, as actually signed by Respondent, to the  
3 Department counsel assigned to this case. Respondent agrees, acknowledges, and understands  
4 that by electronically sending the Department a scan of Respondent's actual signature as it  
5 appears on the Stipulation and Agreement that receipt of the scan by the Department shall be  
6 binding on Respondent as if the Department had received the original signed Stipulation and  
7 Agreement.

8 Respondent's signature below constitutes acceptance and approval of the terms and  
9 conditions of this Stipulation. Respondent agrees, acknowledges, and understands that by signing  
10 this Stipulation, Respondent is bound by its terms as of the date of such signatures, and that this  
11 agreement is not subject to rescission or amendment at a later date except by a separate Decision  
12 and Order of the Real Estate Commissioner.

13  
14 DATED: \_\_\_\_\_  
15 UMER KHAN  
16 Respondent

17 DATED: \_\_\_\_\_  
18 SCOTT J. HARRIS  
19 Counsel for Umer Khan  
20 Approved as to form

21 The foregoing Stipulation and Agreement is hereby adopted as my Decision as to  
22 Respondent UMER KHAN and shall become effective at 12 o'clock noon on  
23 March 29, 2023.

24 IT IS SO ORDERED 3.2.23.

25 DOUGLAS R. McCAULEY  
26 REAL ESTATE COMMISSIONER

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