

**FILED**

NOV - 8 2024

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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9 BEFORE THE DEPARTMENT OF REAL ESTATE

10 STATE OF CALIFORNIA

11 \* \* \*

12 In the Matter of the Accusation of ) DRE No. H-42549 LA  
13 ) OAH No. 2024050205  
14 FORWARD BEVERLY HILLS, INC.; )  
15 and MICHAEL JAY ROZALES, )  
16 individually and as designated officer )  
17 for Forward Beverly Hills, Inc., ) STIPULATION AND  
 ) AGREEMENT IN SETTLEMENT  
 ) AND ORDER  
18 Respondents. )

19 It is hereby stipulated by and between Respondents FORWARD BEVERLY  
20 HILLS, INC. and MICHAEL JAY ROZALES, individually and as the Designated Officer of  
21 Forward Beverly Hills, Inc. (sometimes collectively referred to as "Respondents"), acting by and  
22 through their attorney, Joshua A. Rosenthal, Esq. of Hargrave Rosenthal, P.C., and the  
23 Complainant, acting by and through Kathy Yi, Counsel for the Department of Real Estate, as  
24 follows for the purpose of settling and disposing of Accusation filed on April 16, 2024  
25 ("Accusation"), in this matter:

26 1. All issues which were to be contested and all evidence which was to be  
27 presented by Complainant and Respondents at a formal hearing on the Accusation, which

1 hearing was to be held in accordance with the provisions of the Administrative Procedure Act  
2 (“APA”), shall instead and in place thereof be submitted solely on the basis of the provisions of  
3 this Stipulation and Agreement (“Stipulation”).

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

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

15           4. This Stipulation is based on the factual allegations contained in the Accusation  
16 filed in this proceeding. In the interest of expedience and economy, Respondents choose not to  
17 contest these factual allegations, but to remain silent and understand that, as a result thereof,  
18 these factual statements, will serve as a prima facie basis for the disciplinary action stipulated to  
19 herein. The Real Estate Commissioner shall not be required to provide further evidence to prove  
20 such allegations.

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

26           6. It is understood by the parties that the Real Estate Commissioner may adopt  
27 this Stipulation as her Decision in this matter thereby imposing the penalty and sanctions on

1 Respondents' real estate licenses and license rights as set forth in the below "Order." In the  
2 event that the Commissioner in her discretion does not adopt the Stipulation, the Stipulation shall  
3 be void and of no effect and Respondents shall retain the right to a hearing and proceed on the  
4 Accusation under the provisions of the APA and shall not be bound by any stipulation or waiver  
5 made herein.

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

10 **DETERMINATION OF ISSUES**

11 By reason of the foregoing, and solely for the purpose of settlement of the  
12 pending Accusation without a hearing, it is stipulated and agreed that the following  
13 Determination of Issues shall be made:

14 The conduct, acts or omissions of Respondent FORWARD BEVERLY HILLS,  
15 INC., as set forth in the Accusation, are in violation of California Business and Professions Code  
16 ("Code") sections 10145, 10145(a), 10176(e), and 10159.5 and Sections 2832, 2831, 2831.1,  
17 2831.2, 2834, 2835, and 2731 of Title 10, Chapter 6 of the California Code of Regulations  
18 ("Regulation") and are a basis for discipline of Respondent FORWARD BEVERLY HILLS,  
19 INC.'s licenses and licensing rights pursuant to Code sections 10177(d), 10177(g), 10177(h),  
20 and/or 10176(e).

21 The conduct, acts or omissions of Respondent MICHAEL JAY ROZALES, as set  
22 forth in the Accusation, are in violation of Code section 10159.2 and Regulation section 2725  
23 and are a basis for discipline of Respondent MICHAEL JAY ROZALES' licenses and licensing  
24 rights pursuant to Code sections 10177(d), 10177(g), and/or 10177(h).

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1 become permanent.

2 B. The remaining thirty (30) days of the sixty-day suspension shall be **stayed**,  
3 upon the following terms and conditions:

4 1. Respondent FORWARD BEVERLY HILLS, INC. shall obey all laws,  
5 rules and regulations governing the rights, duties and responsibilities of a real estate licensee in  
6 the State of California; and

7 2. That no final subsequent determination be made, after hearing or upon  
8 stipulation, that cause for disciplinary action occurred within two (2) years of the effective date  
9 of this Decision. Should such a determination be made, the Commissioner may, in her  
10 discretion, vacate and set aside the stay order and reimpose all or a portion of the stayed  
11 suspension. Should no such determination be made, the stay imposed herein shall become  
12 permanent.

13 **II. AUDIT COSTS**

14 Pursuant to Code section 10148, Respondent FORWARD BEVERLY HILLS,  
15 INC. shall, jointly and severally with Respondent MICHAEL JAY ROZALES, pay the  
16 Commissioner's reasonable costs for the audit which led to this disciplinary action in the amount  
17 of **\$9,837.00**. Respondents shall pay such costs within sixty (60) days of receiving an invoice  
18 therefor from the Commissioner. Payment of the audit costs should not be made until  
19 Respondents receive the invoice. If Respondent FORWARD BEVERLY HILLS, INC. fails to  
20 satisfy this condition in a timely manner as provided for herein, Respondent FORWARD  
21 BEVERLY HILLS, INC.'s real estate licenses shall automatically be suspended until payment is  
22 made in full, or until a decision providing otherwise is adopted following a hearing held pursuant  
23 to this condition.

24 **III. SUBSEQUENT AUDIT COSTS**

25 Pursuant to Code section 10148, Respondent FORWARD BEVERLY HILLS,  
26 INC. shall, jointly and severally with Respondent MICHAEL JAY ROZALES, pay the  
27 Commissioner's reasonable costs, not to exceed **\$12,296.25**, for a subsequent audit to determine

1 if Respondents have corrected the violations found in the Determination of Issues. In calculating  
2 the amount of the Commissioner's reasonable costs, the Commissioner may use the estimated  
3 average hourly salary for all persons performing audits of real estate brokers, and shall include  
4 an allocation for travel time to and from the auditor's place of work. Respondent FORWARD  
5 BEVERLY HILLS, INC. shall pay such costs within sixty (60) days of receiving an invoice  
6 therefor from the Commissioner. If Respondent FORWARD BEVERLY HILLS, INC. fails to  
7 satisfy this condition in a timely manner as provided for herein, Respondent FORWARD  
8 BEVERLY HILLS, INC.'s real estate licenses shall automatically be suspended until payment is  
9 made in full, or until a decision providing otherwise is adopted following a hearing held pursuant  
10 to this condition.

11 IV. INVESTIGATION AND ENFORCEMENT COSTS

12 Respondent FORWARD BEVERLY HILLS, INC. shall pay, jointly and severally  
13 with Respondent MICHAEL JAY ROZALES, the sum of **\$2,160.50** for the Commissioner's  
14 reasonable costs of the investigation and enforcement that led to this disciplinary action. Said  
15 payment shall be in the form of a cashier's check made payable to the Department of Real Estate.  
16 The investigative and enforcement costs must be delivered to the Department of Real Estate,  
17 Flag Section at 651 Bannon Street, Suite 504, Sacramento, CA 95811, **prior to the effective**  
18 **date of this Decision and Order.** Payment of investigation and enforcement costs should not be  
19 made until the Stipulation has been approved by the Commissioner. If Respondent FORWARD  
20 BEVERLY HILLS, INC. fails to satisfy this condition in a timely manner as provided for herein,  
21 Respondent FORWARD BEVERLY HILLS, INC.'s real estate licenses shall automatically be  
22 suspended until payment is made in full, or until a decision proving otherwise is adopted  
23 following a hearing pursuant to this condition.

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1 (MICHAEL JAY ROZALES)

2 I. STAYED SUSPENSION OF REAL ESTATE LICENSE

3 All licenses and licensing rights of Respondent MICHAEL JAY ROZALES under  
4 the Real Estate Law are suspended for a period of **sixty (60) days** from the effective date of this  
5 Decision; provided, however, that:

6 A. The initial thirty (30) days of said sixty-day suspension shall be **stayed**, upon  
7 the following terms and conditions:

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

11 2. Said payment shall be in the form of a cashier's check made payable to the  
12 Department of real Estate. Said check must be delivered to the Department of Real Estate, Flag  
13 Section, 651 Bannon Street, Suite 504, Sacramento, CA 95811, **prior to the effective date of**  
14 **this Decision and Order**.

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

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

23 5. If Respondent MICHAEL JAY ROZALES pays the monetary penalty and  
24 if no further cause for disciplinary action against the real estate license of said Respondent  
25 occurs within two (2) years from the effective date of the Decision, the stay hereby granted shall  
26 become permanent.

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1 B. The remaining thirty (30) days of the sixty-day suspension shall be stayed,  
2 upon the following terms and conditions:

3 1. Respondent MICHAEL JAY ROZALES shall obey all laws, rules and  
4 regulations governing the rights, duties and responsibilities of a real estate licensee in the State of  
5 California; and

6 2. That no final subsequent determination be made, after hearing or upon  
7 stipulation, that cause for disciplinary action occurred within two (2) years of the effective date  
8 of this Decision. Should such a determination be made, the Commissioner may, in her  
9 discretion, vacate and set aside the stay order and reimpose all or a portion of the stayed  
10 suspension. Should no such determination be made, the stay imposed herein shall become  
11 permanent.

12 II. AUDIT COSTS

13 Pursuant to Code section 10148, Respondent MICHAEL JAY ROZALES shall,  
14 jointly and severally with Respondent FORWARD BEVERLY HILLS, INC., pay the  
15 Commissioner's reasonable costs for the audit which led to this disciplinary action in the amount  
16 of **\$9,837.00**. Respondents shall pay such costs within sixty (60) days of receiving an invoice  
17 therefor from the Commissioner. Payment of the audit costs should not be made until  
18 Respondents receive the invoice. If Respondent MICHAEL JAY ROZALES fails to satisfy this  
19 condition in a timely manner as provided for herein, Respondent MICHAEL JAY ROZALES'  
20 real estate licenses shall automatically be suspended until payment is made in full, or until a  
21 decision providing otherwise is adopted following a hearing held pursuant to this condition.

22 III. SUBSEQUENT AUDIT COSTS

23 Pursuant to Code section 10148, Respondent MICHAEL JAY ROZALES shall,  
24 jointly and severally with Respondent FORWARD BEVERLY HILLS, INC., pay the  
25 Commissioner's reasonable costs, not to exceed **\$12,296.25**, for a subsequent audit to determine  
26 if Respondents have corrected the violations found in the Determination of Issues. In calculating  
27 the amount of the Commissioner's reasonable costs, the Commissioner may use the estimated



1 average hourly salary for all persons performing audits of real estate brokers, and shall include  
2 an allocation for travel time to and from the auditor's place of work. Respondent MICHAEL  
3 JAY ROZALES shall pay such costs within sixty (60) days of receiving an invoice therefor from  
4 the Commissioner. If Respondent MICHAEL JAY ROZALES fails to satisfy this condition in a  
5 timely manner as provided for herein, Respondent MICHAEL JAY ROZALES' real estate  
6 licenses shall automatically be suspended until payment is made in full, or until a decision  
7 providing otherwise is adopted following a hearing held pursuant to this condition.

8 **IV. INVESTIGATION AND ENFORCEMENT COSTS**


9 Respondent MICHAEL JAY ROZALES shall pay, jointly and severally with  
10 Respondent FORWARD BEVERLY HILLS, INC., the sum of **\$2,160.50** for the  
11 Commissioner's reasonable costs of the investigation and enforcement that led to this  
12 disciplinary action. Said payment shall be in the form of a cashier's check made payable to the  
13 Department of Real Estate. The investigative and enforcement costs must be delivered to the  
14 Department of Real Estate, Flag Section at 651 Bannon Street, Suite 504, Sacramento, CA  
15 95811, **prior to the effective date of this Decision and Order.** Payment of investigation and  
16 enforcement costs should not be made until the Stipulation has been approved by the  
17 Commissioner. If Respondent MICHAEL JAY ROZALES fails to satisfy this condition in a  
18 timely manner as provided for herein, Respondent MICHAEL JAY ROZALES' real estate  
19 licenses shall automatically be suspended until payment is made in full, or until a decision  
20 proving otherwise is adopted following a hearing pursuant to this condition.

21 **V. TRUST FUND HANDLING COURSE**

22 Respondent MICHAEL JAY ROZALES shall, within nine (9) months from the  
23 effective date of this Decision and Order, present evidence satisfactory to the Real Estate  
24 Commissioner that he has, since the most recent issuance of an original or renewal real estate  
25 license, taken and successfully completed the continuing education course on trust fund  
26 accounting and handling specified in paragraph (3) of subdivision (a) of Code Section 10170.5.  
27 If Respondent MICHAEL JAY ROZALES fails to satisfy this condition, Respondent MICHAEL

1 JAY ROZALES' real estate license shall be automatically suspended until he presents evidence  
2 satisfactory to the Commissioner of having taken and successfully completed the trust fund  
3 accounting and handling course. Proof of completion of the continuing education course must be  
4 delivered to the Department of Real Estate, Flag Section, 651 Bannon Street, Suite 504,  
5 Sacramento, CA 95811.

6  
7 DATED: October 1, 2024

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Kathy Yi, Counsel for  
Department of Real Estate

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10 **EXECUTION OF THE STIPULATION**

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

19 Respondents agree, acknowledge, and understand that Respondents cannot  
20 rescind or amend this Stipulation and Agreement. By signing this Stipulation, Respondents  
21 understand and agree that Respondents may not withdraw Respondents' agreement or seek to  
22 rescind the Stipulation prior to the time the Commissioner considers and acts upon it or prior to  
23 the effective date of the Stipulation and Order.

24 Respondents can signify acceptance and approval of the terms and conditions of  
25 this Stipulation and Agreement by electronically e-mailing a copy of the signature page, as  
26 actually signed by Respondents, to the Department. Respondents agree, acknowledge, and  
27 understand that by electronically sending to the Department an electronic copy of Respondents'

1 actual signatures, as they appear on the Stipulation, that receipt of the emailed copy by the  
2 Department shall be as binding on Respondents as if the Department had received the original  
3 signed Stipulation. Alternatively, Respondents can signify acceptance and approval of the terms  
4 and conditions of this Stipulation and Agreement by mailing the original signed Stipulation and  
5 Agreement to: Kathy Yi, Department of Real Estate, 320 West 4th Street, Suite 350, Los  
6 Angeles, California 90013-1105.

7  
8 Dated: 10-1-24

[Redacted]  
FORWARD BEVERLY HILLS, INC.  
Respondent,  
By: [Redacted]

11  
12 Dated: 10-1-24

[Redacted]  
MICHAEL JAY ROZALES  
Respondent

14  
15  
16 Dated: 10/1/24

[Redacted]  
Joshua A. Rosenthal, Esq.  
Counsel for Respondents  
Approved as to Form

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The foregoing Stipulation and Agreement is hereby adopted as my Decision as to Respondents FORWARD BEVERLY HILLS, INC. and MICHAEL JAY ROZALES, individually and as Designated Officer of Forward Beverly Hills, Inc. and shall become effective at 12 o'clock noon on NOV 28 2024.

IT IS SO ORDERED 10/29/2024.

CHIKA SUNQUIST  
REAL ESTATE COMMISSIONER

