

1 Department of Real Estate
2 320 West 4th Street, Suite 350
3 Los Angeles, California 90013

4 Telephone: (213) 576-6982

FILED

JUL 30 2025

DEPT. OF REAL ESTATE

By _____

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8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of	)	No. H-42847 LA
	)	
12 B SQUARED REALTY; and	)	
	)	
13 MICHAEL CRAIG BROOKS,	)	<u>STIPULATION AND</u>
14 individually and as designated officer of	)	<u>AGREEMENT</u>
15 B Squared Realty,	)	
	)	
16 Respondents.	)	

17 It is hereby stipulated by and between Respondents B SQUARED REALTY
18 ("BSR") and MICHAEL CRAIG BROOKS ("BROOKS"), individually and as designated
19 officer of B Squared Realty, (collectively "Respondents"), both represented by Fredrick M. Ray,
20 Esq., and the Complainant, acting by and through Diane Lee, Counsel for the Department of
21 Real Estate, as follows for the purpose of settling and disposing of the Accusation
22 ("Accusation") filed on or about November 4, 2024, in this matter:

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

3 2. Respondents BSR and BROOKS have received and read, and understand the
4 Statement to Respondent, the Discovery Provisions of the APA, and the Accusation filed by the
5 Department of Real Estate in this proceeding.

6 3. Respondents BSR and BROOKS filed Notices of Defense pursuant to
7 California Government Code section 11506 for the purpose of requesting a hearing on the
8 allegations in the Accusation. Respondents BSR and BROOKS hereby freely and voluntarily
9 withdraw said Notices of Defense. Respondents BSR and BROOKS acknowledge that they
10 understand that by withdrawing said Notices of Defense they thereby waive their right to require
11 the Commissioner to prove the allegations in the Accusation at a contested hearing held in
12 accordance with the provisions of the APA and that Respondents BSR and BROOKS 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
16 Accusation. In the interest of expediency and economy, Respondents BSR and BROOKS
17 choose not to contest these factual allegations, but to remain silent and understand that, as a
18 result thereof, these factual statements will serve as a prima facie basis for the disciplinary action
19 stipulated to herein and violations set for below.

20 5. This Stipulation and Respondents' decision not to contest the Accusation are
21 made for the purpose of reaching an agreed disposition of this proceeding, and are limited to this
22 proceeding and any other proceeding or case in which the Department of Real Estate, or another
23 licensing agency of this state or another state, or if a local, state, or federal government is
24 involved, and otherwise shall not be admissible in any other criminal or civil proceedings.
25 Respondents BSR and BROOKS further understand that the sustained violation(s) may be
26 considered in any future administrative or disciplinary matters by the Department of Real Estate.

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1 6. It is understood by the parties that the Real Estate Commissioner may adopt
2 this Stipulation as her Decision in this matter thereby imposing the penalties and sanctions on
3 the real estate licenses and license rights of Respondents BSR and BROOKS as set forth in the
4 below "Order." In the event that the Commissioner in her discretion does not adopt this
5 Stipulation, it shall be void and of no effect, and Respondents BSR and BROOKS shall retain the
6 right to a hearing and proceeding on the Accusation under the provisions of the APA and shall
7 not be bound by this Stipulation herein.

8 7. The Order or any subsequent Order of the Real Estate Commissioner made
9 pursuant to this Stipulation herein shall not constitute an estoppel, merger, or bar to any further
10 administrative or civil proceedings by the Department of Real Estate with respect to any matters
11 which were not specifically alleged to be causes for Accusation in this proceeding, but do
12 constitute a bar, estoppel, and merger as to any allegations specifically and actually contained in
13 the Accusation against Respondents BSR and BROOKS herein.

14 8. Respondents BSR and BROOKS understand that by agreeing to this
15 Stipulation, Respondents BSR and BROOKS agree to pay, pursuant to California Business and
16 Professions Code section 10106, the cost of the investigation and enforcement. The amount of
17 investigation and enforcement cost is \$3,335.49.

18 9. Respondents BSR and BROOKS understand that by agreeing to this
19 Stipulation, Respondents BSR and BROOKS agree to pay, pursuant to California Business and
20 Professions Code section 10148, the cost of the audit which led to this disciplinary action, or
21 provide proof satisfactory to the Commissioner that this cost of audit has already been paid. The
22 amount of said cost for the original audit (LA230023) is \$8,298.00.

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1 10. Respondents BSR and BROOKS understand that by agreeing to this
2 Stipulation and Agreement, the findings set forth below in the Determination of Issues become
3 final, and the Commissioner may charge Respondents BSR and BROOKS, with joint and several
4 liability, for the cost of any subsequent audit(s) conducted pursuant to California Business and
5 Professions Code section 10148. The maximum cost of the subsequent audit will not exceed
6 \$10,372.50.

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8 DETERMINATION OF ISSUES

9 By reason of the foregoing, it is stipulated and agreed that the following
10 determination of issues shall be made:

11 The conduct, acts, or omissions of Respondents BSR and BROOKS, as
12 described in the Accusation and Paragraph 4, above, are a basis for discipline of
13 Respondent BSR's and BROOKS's licenses and license rights pursuant to California Business
14 and Professions Code sections 10145, 10159.2, 10177(d), 10177(g), and 10177(h) and Title 10,
15 Chapter 6 of the California Code of Regulations, sections 2725, 2831, 2831.2, and 2832.1.

16
17 ORDER

18 WHEREFORE, THE FOLLOWING ORDER is hereby made:

19
20 (BSR: [STAYED] SUSPENSION)

21 I.

22 All licenses and licensing rights of BSR under the Real Estate Law are suspended
23 for a period of thirty (30) days from the effective date of this Decision; provided, however, all
24 thirty (30) days of said suspension shall be stayed upon condition that all thirty (30) days shall be
25 stayed for two (2) years upon the following terms and conditions:

26 A. BSR shall obey all laws, rules, and regulations governing the rights, duties,
27 and responsibilities of a real estate licensee in the State of California; and

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

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8 (BROOKS: [STAYED] SUSPENSION)

9 II.

10 All licenses and licensing rights of BROOKS under the Real Estate Law are
11 suspended for a period of thirty (30) days from the effective date of this Decision; provided,
12 however, all thirty (30) days of said suspension shall be stayed upon condition that all thirty (30)
13 days shall be stayed for two (2) years upon the following terms and conditions:

14 A. BROOKS shall obey all laws, rules, and regulations governing the rights,
15 duties, and responsibilities of a real estate licensee in the State of California; and

16 B. That no final subsequent determination be made after hearing or upon
17 stipulation, that cause for disciplinary action occurred within two (2) years from the effective
18 date of this Decision. Should such a determination be made, the Commissioner may, in her
19 discretion, vacate, and set aside the stay order and re-impose all or a portion of the stayed
20 suspension. Should no such determination be made, the stay imposed herein shall become
21 permanent.

22
23 (BSR AND BROOKS: INVESTIGATION AND ENFORCEMENT COSTS)

24 III.

25 Respondents BSR and BROOKS shall, within thirty (30) days from the effective
26 date of this Decision and Order, pay the sum of \$3,335.49 with joint and several liability for the
27 Commissioner's reasonable cost for investigation and enforcement which led to this disciplinary

1 action. Said payment shall be in the form of a cashier's check made payable to the Department
2 of Real Estate. The investigative and enforcement costs must be delivered to the Department of
3 Real Estate, Flag Section at 651 Bannon St., Ste. 504, Sacramento, CA 95811, within thirty (30)
4 days from the effective date of this Decision and Order. If the costs of investigation and
5 enforcement are not paid within thirty (30) days from the effective date of this Decision and
6 Order, the licenses and license rights of Respondents BSR and BROOKS shall automatically be
7 suspended until full payment is made.

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9 (BSR and BROOKS: AUDIT COSTS)

10 IV.

11 1. Pursuant to California Business and Professions Code section 10148,
12 Respondents BSR and BROOKS owe \$8,298.00 with joint and several liability for the
13 Commissioner's cost of the audit which led to this disciplinary action. Respondents BSR and
14 BROOKS shall pay such cost within thirty (30) days of receiving an invoice therefore from the
15 Commissioner. Payment of the audit cost should not be made until Respondents BSR and/or
16 BROOKS receive the invoice. If Respondents BSR and BROOKS fail to satisfy this condition in
17 a timely manner as provided for herein, the real estate licenses of Respondents shall
18 automatically be suspended until payment is made in full, or until a decision providing otherwise
19 is adopted following a hearing.

20 2. Pursuant to California Business and Professions Code section 10148,
21 Respondents BSR and BROOKS shall pay the Commissioner's reasonable cost, not to exceed
22 \$10,372.50, with joint and several liability, for audit(s) to determine if Respondents BSR and/or
23 BROOKS have corrected the violations found in the Determination of Issues. In calculating the
24 amount of the Commissioner's reasonable cost, the Commissioner may use the estimated
25 average hourly salary for all persons performing audits of real estate broker(s), and shall include
26 an allocation for travel time to and from the auditor's place of work. Respondents BSR and
27 BROOKS shall pay such cost within thirty (30) days of receiving an invoice therefor from the

Commissioner. Payment of the audit costs should not be made until Respondents BSR and/or BROOKS receives the invoice. If Respondents BSR and BROOKS fail to satisfy this condition in a timely manner as provided for herein, the real estate license of Respondents BSR and BROOKS shall automatically be suspended until payment is made in full, or until a decision providing otherwise is adopted following a hearing held pursuant to this condition.

(BROOKS: TRUST FUND COURSE)

V.

All licenses and licensing rights of Respondent BROOKS are indefinitely suspended unless or until Respondent BROOKS provides proof satisfactory to the Commissioner, of having taken and successfully completed the continuing education course on trust fund accounting and handling specified in California Business and Professions Code section 10170.5(a)(3). Proof of satisfaction of this requirement includes evidence that Respondent BROOKS has successfully completed the trust fund account and handling continuing education course within 120 days prior to the effective date of the Decision in this matter.

DATED: 05/29/2025


DIANE LEE
Counsel for Department of Real Estate

* * *

EXECUTION OF THE STIPULATION

I, MICHAEL CRAIG BROOKS, individually and as designated officer of B Squared Realty, have read the Stipulation and discussed it with our attorney, Fredrick M. Ray, Esq. Its terms are understood by me and B Squared Realty, and are agreeable and acceptable to me and B Squared Realty. I understand that I am waiving rights given to me and B Squared Realty by the California APA (including, but not limited to, California Government Code sections 11506, 11508, 11509, and 11513), and I, individually and as designated officer

1 of B Squared Realty, willingly, intelligently, and voluntarily waive those rights, including, but
2 not limited to, the right of requiring the Commissioner to prove the allegations in the Accusation
3 at a hearing at which B Squared Realty and I would have the right to cross-examine witnesses
4 against me and B Squared Realty and to present evidence in defense and mitigation of the
5 charges.

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7 MAILING AND E-MAIL

8 Respondents BSR and BROOKS shall mail the original signed signature page of
9 this Stipulation herein to Department of Real Estate, Attention: Legal Section – Diane Lee, 320
10 West Fourth Street, Suite 350, Los Angeles, California 90013-1105.

11 In the event of time constraints before an administrative hearing, Respondents
12 BSR and BROOKS can signify acceptance and approval of the terms and conditions of this
13 Stipulation and Agreement by emailing a scanned copy of the signature page, as actually signed
14 by Respondents BSR and BROOKS, to the Department counsel assigned to this case.
15 Respondents BSR and BROOKS agree, acknowledge, and understand that by electronically
16 sending the Department a scan of Respondents BSR's and BROOKS's actual signatures
17 as they appear on the Stipulation and Agreement that receipt of the scan by the Department shall
18 be binding on Respondents BSR and BROOKS as if the Department had received the original
19 signed Stipulation.

20 Respondents BSR's and BROOKS's signatures below constitute acceptance and
21 approval of the terms and conditions of this Stipulation. Respondents BSR and BROOKS agree,
22 acknowledge, and understand that by signing this Stipulation, Respondents BSR and
23 BROOKS are bound by its terms as of the date of such signatures and that this agreement is not
24 subject to rescission or amendment at a later date except by a separate Decision and Order of the
25 Real Estate Commissioner.

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2 DATED: 5/29/2025

B SQUARED REALTY, by Michael Craig Brooks,
designated officer of B Squared Realty

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6 DATED: 5/29/2025

MICHAEL CRAIG BROOKS

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10 DATED: 5/29/2025

FREDGERM RAY, ESQ.
Attorney for Respondents B SQUARED REALTY and
MICHAEL CRAIG BROOKS
Approved as to Form and Content

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14 * * *

15 The foregoing Stipulation and Agreement is hereby adopted as my Decision as to
16 Respondents B SQUARED REALTY and MICHAEL CRAIG BROOKS, and shall become
17 effective at 12 o'clock noon on _____.

18 IT IS SO ORDERED _____.

20 CHIKA SUNQUIST
21 REAL ESTATE COMMISSIONER

23 _____
24 By: Marcus L. McCarther
25 Chief Deputy Real Estate Commissioner
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DATED: _____

B SQUARED REALTY, by Michael Craig Brooks,
designated officer of B Squared Realty

DATED: _____

MICHAEL CRAIG BROOKS

DATED: _____

FREDRICK M. RAY, ESQ.
Attorney for Respondents B SQUARED REALTY and
MICHAEL CRAIG BROOKS
Approved as to Form and Content

* * *

The foregoing Stipulation and Agreement is hereby adopted as my Decision as to
Respondents B SQUARED REALTY and MICHAEL CRAIG BROOKS, and shall become
effective at 12 o'clock noon on August 19, 2025.

IT IS SO ORDERED 7/24/2025.

CHIKA SUNQUIST
REAL ESTATE COMMISSIONER



By: Marcus L. McCarther
Chief Deputy Real Estate Commissioner