

Department of Real Estate
320 West 4th Street, Ste. 350
Los Angeles, California 90013-1105
Telephone: (213) 559-5990

FILED

AUG 28 2025

DEPT. OF REAL ESTATE

By 

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation against

RGC SERVICES, INC.

and

MICHAEL GRANT SIPES,
as designated officer of RGC Services, Inc.,

Respondents.

No. H-42891 LA

**STIPULATION
AND
AGREEMENT**

It is hereby stipulated by and between Respondents RGC SERVICES, INC. (RSI) and MICHAEL GRANT SIPES (SIPES), represented by Frank M. Buda, Esq./Law Office of Frank Buda, and the Complainant, acting by and through Julie L. To, Counsel for the Department of Real Estate ("Department" or "DRE"), as follows for the purpose of settling and disposing of the First Amended Accusation filed on February 10, 2025 in Department of Real Estate Case No. H-42891 LA, in this matter. (Accusation) (The original Accusation in Case H-42891 LA was filed on June 12, 2024; the First Amended Accusation supersedes the June 12, 2024 Accusation in its entirety.)

H-42891 LA: Stipulation & Agreement

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

6 2. Respondents have received, read, and understand the Statement to
7 Respondent, the Discovery Provisions of the APA and the Accusation filed by the Department of
8 Real Estate in this proceeding.

9 3. On or about August 13, 2024, Respondents timely filed Notices of
10 Defense pursuant to Section 11505 of the Government Code for the purpose of requesting a
11 hearing on the allegations in the Accusation. Respondents hereby freely and voluntarily
12 withdraw said Notices of Defense. Respondents acknowledge that they understand that by
13 withdrawing said Notices of Defense they thereby waive their right to require the Real Estate
14 Commissioner (Commissioner) to prove the allegations in the Accusation at a contested hearing
15 held in accordance with the provisions of the APA, and that they waive other rights afforded to
16 them in connection with the hearing such as the right to present evidence in their defense of the
17 allegations in the Accusation and the right to cross-examine witnesses.

18 4. This Stipulation is based on the factual allegations contained in the
19 Accusation. In the interest of expediency and economy, Respondents choose not to contest these
20 factual allegations, but to remain silent and understand that, as a result thereof, these factual
21 allegations, without being admitted or denied, will serve as a prima facie basis for the
22 disciplinary action stipulated to herein. The Commissioner shall not be required to provide
23 further evidence to prove such allegations.

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1 5. This Stipulation and Respondents' decision not to contest the Accusation
2 are made for the purpose of reaching an agreed disposition of this proceeding and are expressly
3 limited to this proceeding and any other proceeding or case in which the Department, the state or
4 federal government, an agency of this state, or an agency of another state is involved, and shall
5 not be otherwise admissible in any other criminal or civil proceedings. Respondents further
6 understand that the sustained violation(s) may be considered in any future administrative or
7 disciplinary matters by the Department.

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

15 7. The Order or any subsequent Order of the Commissioner made pursuant to
16 this Stipulation shall not constitute an estoppel, merger, or bar to any further administrative or
17 civil proceedings by the Department with respect to any matters which were not specifically
18 alleged to be causes for Accusation in this proceeding but do constitute a bar, estoppel and
19 merger as to any allegations actually contained in the Accusation against Respondents herein.

20 8. Respondents understand that by agreeing to this Stipulation and pursuant
21 to Code Section 10106, Respondents agree to be jointly and severally liable for payment of the
22 cost of the audit (audit costs) which led to this disciplinary action, Audit LA220019. The
23 amount of said audit costs for the audit examination (Audit LA220019) is \$7,807.00.
24 Respondents agree to pay, pursuant to Code Section 10106, the amount \$7,807.00 for the cost of
25 Audit LA220019.

1 9. Respondents have received, read, and understand the "Notice Concerning
2 Costs of Subsequent Audit." Respondents understand that by agreeing to this Stipulation, the
3 findings set forth below in the Determination of Issues become final, and the Commissioner may
4 charge Respondents for the cost of any subsequent (follow-up) audit(s) to determine if the
5 violations found in Audit LA220019 have been corrected. The maximum cost of the follow-up
6 audit will not exceed one-hundred twenty-five percent (125%) of the cost of Audit LA220019.
7 The total cost of Audit LA220019 is \$7,807.00; the maximum cost of the follow-up audit will
8 not exceed \$9,758.75 (or, \$7,807.00 x 125%). Therefore, Respondents may be charged a
9 maximum of \$9,758.75 in the event of a subsequent audit.

10 10. Respondents understand that by agreeing to this Stipulation and pursuant
11 to Code Section 10106, Respondents agree to be jointly and severally liable for payment of the
12 Commissioner's cost of the investigation and enforcement costs (investigative costs) which
13 resulted in the determination that Respondents committed the violation(s) found in the
14 Determination of Issues. The amount of total said investigative costs is \$3,212.82 (comprised of
15 \$1,826.82 in investigation costs and \$1,386.00 in enforcement costs); therefore, Respondents
16 agree to pay, pursuant to Code Section 10106, the total investigative costs amount of \$3,212.82.

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The conduct, acts or omissions of Respondent RGC SERVICES, INC., as described in Paragraph 4, herein above, are in violation of the Real Estate Law pursuant to Code Sections 10145, 10177(d), and 10176(e) and Regulations 2831, 2831.1, 2831.2, 2832.1 and 2835, and are bases for the suspension or revocation of the license and license rights of Respondent RSI.

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I.

All licenses and licensing rights of Respondents RGC SERVICES, INC. and MICHAEL GRANT SIPES 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 all sixty (60) days of said suspension shall be stayed for two (2) years upon the following terms and conditions:

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

2. No further cause for disciplinary action against the real estate license of Respondents occurs within two (2) years from the effective date of the Decision in this matter. If no further cause for disciplinary action against the real estate licenses of Respondents occurs within two (2) years from the effective date of the Decision, the stay hereby granted shall become permanent.

3. Pursuant to Section 10106 of the Code, Respondents shall pay the sum of \$7,807.00 for the Commissioner's cost of the audit (LA220019) which led to this disciplinary action. In calculating the amount of the Commissioner's reasonable cost, the Commissioner may use the estimated average hourly salary for all persons performing audits of real estate brokers, and shall include an allocation for travel time to and from the auditor's place of work. Respondents shall pay the Commissioner's cost of the audit within one hundred and eighty (180) days of receiving an invoice therefore from the Commissioner. Payment of audit costs should not be made until Respondents receive the invoice, and Respondents' payment(s) must be delivered in accordance to the invoice instructions. Failure to satisfy this condition in a timely manner as provided for herein, shall result in the automatic suspension of Respondents' real

1 estate licenses until payment of said audit costs is made in full, or until a decision providing
2 otherwise is adopted following a hearing held pursuant to this condition.

3 4. Respondents shall pay the Commissioner's reasonable cost, not to exceed
4 \$9,758.75 [or, 125% of the original audit cost], for a subsequent audit to determine if
5 Respondents have corrected the violations found in the Determination of Issues. In calculating
6 the amount of the Commissioner's reasonable cost, the Commissioner may use the estimated
7 average hourly salary for all persons performing audits of real estate brokers, and shall include
8 an allocation for travel time to and from the auditor's place of work. Respondents shall pay such
9 cost within sixty (60) days of receiving an invoice therefore from the Commissioner. Payment of
10 the audit costs [for a subsequent audit] should not be made until Respondents receive the invoice.
11 If Respondents fail to satisfy this condition in a timely manner as provided for herein,
12 Respondents' real estate licenses shall automatically be suspended until payment is made in full,
13 or until a decision providing otherwise is adopted following a hearing held pursuant to this
14 condition.

15 5. All licenses and licensing rights of all Respondents are indefinitely
16 suspended unless or until Respondents pay the amount \$3,212.82 for the Commissioner's
17 reasonable cost of the investigation and enforcement which led to this disciplinary action.
18 Respondents' payment(s) shall be in the form of a cashier's check or certified check made
19 payable to the Department of Real Estate, and must be delivered to the Department of Real
20 Estate, Flag Section at 651 Bannon Street, Suite 504, Sacramento, CA 95811, prior to the
21 effective date of this Decision and Order.

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23 DATED: 07-24-25

24 Julie L. To,
25 Counsel for Department of Real Estate

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1 II.

2 EXECUTION OF THE STIPULATION

3 We have read the Stipulation and Agreement. Its terms are understood by us and
4 are agreeable and acceptable to us. We understand that we are waiving rights given to us by the
5 California Administrative Procedure Act (including but not limited to Sections 11506, 11508,
6 11509 and 11513 of the Government Code), and we willingly, intelligently and voluntarily waive
7 those rights, including the right of requiring the Commissioner to prove the allegations in the
8 Accusation at a hearing at which we would have the right to cross-examine witnesses against us
9 and to present evidence in defense and mitigation of the charges.

10 III.

11 MAILING AND FACSIMILE

12 Respondents can signify acceptance and approval of the terms and conditions of
13 this Stipulation and Agreement by sending a hard copy of the original signed signature page of
14 the Stipulation herein to Julie L. To, Legal Section, Department of Real Estate, 320 W. Fourth
15 St., Suite 350, Los Angeles, California 90013-1105. In the event of time constraints before an
16 administrative hearing, Respondents can signify acceptance and approval of the terms and
17 conditions of this Stipulation and Agreement by e-mailing a scanned copy of the signature page,
18 as actually signed by Respondents to the Department counsel assigned to this case. Respondents
19 agree, acknowledge, and understand that by electronically sending to the Department a scan of
20 Respondents' actual signatures as they appear on the Stipulation and Agreement, that receipt of
21 the scan by the Department shall be binding on Respondents as if the Department had received
22 the original signed Stipulation and Agreement.

23 DATED: 7-21-25

24 [REDACTED]
25 RGC SERVICES, INC., Respondent
26 By: Michael Grant Sipes,
27 Designated Officer of Record

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2 DATED:

7-21-25

MICHAEL GRANT SIPES, Respondent

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4 I have reviewed the Stipulation and Agreement as to form and have advised my
5 clients accordingly.

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7 DATED:

7-21-25

Frank M. Buda, Attorney for Respondents

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10 The foregoing Stipulation and Agreement is hereby adopted as my Decision as to
11 Respondents RGC SERVICES, INC. and MICHAEL GRANT SIPES and shall become effective
12 at 12 o'clock noon on SEP 29 2025, 2025.

13 IT IS SO ORDERED 8/22/2025, 2025.

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15 CHIKA SUNQUIST

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19 By: Marcus L. McCarther
20 Deputy Real Estate Commissioner
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