

1 Bureau of Real Estate  
2 320 West 4th Street, Suite 350  
3 Los Angeles, CA 90013-1105

4 Telephone: (213) 576-6982

**FILED**

MAR 25 2014

BUREAU OF REAL ESTATE

By *J. [Signature]*

8 BEFORE THE BUREAU OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation

No. H-04505 SD

12 AMERICAN CITY EQUITIES INC.; )  
13 SANTIAGO ORVANANOS, indivi- )  
14 dually, and as designated )  
15 officer for American City )  
16 Equities Inc.; and JEAN )  
17 PAUL SCHWARZ, )  
18 Respondents. )

STIPULATION & AGREEMENT

19 It is hereby stipulated by and between AMERICAN CITY  
20 EQUITIES INC., SANTIAGO ORVANANOS, and JEAN PAUL SCHWARZ  
21 (sometimes referred to as "Respondents"), and the Complainant,  
22 acting by and through Cheryl D. Keily, Counsel for the Bureau of  
23 Real Estate, as follows for the purpose of settling and  
24 disposing of the Accusation filed on June 26, 2013, in this  
25 matter.

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

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

5           2. Respondent has received, read and understands the  
6 Statement to Respondent, the Discovery Provisions of the APA and  
7 the Accusation filed by the Bureau of Real Estate ("Bureau") in  
8 this proceeding.

9           3. On July 11, 2013, Respondents filed Notices of  
10 Defense, pursuant to Section 11506 of the Government Code for  
11 the purpose of requesting a hearing on the allegations in the  
12 Accusation. Respondents hereby freely and voluntarily withdraw  
13 said Notices of Defense. Respondents acknowledge that they  
14 understand that by withdrawing said Notices of Defense they will  
15 thereby waive their right to require the Commissioner to prove  
16 the allegations in the Accusation at a contested hearing held in  
17 accordance with the provisions of the APA and that they will  
18 waive other rights afforded to them in connection with the  
19 hearing, such as the right to present evidence in defense of the  
20 allegations in the Accusation and the right to cross-examine  
21 witnesses.

22           4. It is understood by the parties that the Real  
23 Estate Commissioner may adopt the Stipulation and Agreement as  
24 his decision in this matter, thereby imposing the penalty and  
25 sanctions on Respondents' real estate licenses and license  
26 rights as set forth in the below "Order". In the event that  
27 ~~the Commissioner in his discretion does not adopt the~~

1 Stipulation and Agreement, it shall be void and of no effect,  
2 and Respondent shall retain the right to a hearing and  
3 proceeding on the Accusation under all the provisions of the  
4 APA and shall not be bound by any admission or waiver made  
5 herein.

6           5. This Stipulation is based on the factual  
7 allegations contained in the Accusation. In the interest of  
8 expedience and economy, Respondents choose not to contest these  
9 allegations, but to remain silent and understand that, as a  
10 result thereof, these factual allegations, without being  
11 admitted or denied, will serve as a prima facie basis for the  
12 disciplinary action stipulated to herein. The Real Estate  
13 Commissioner shall not be required to provide further evidence  
14 to prove said factual allegations.  
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16           6. This Stipulation and Respondents' decision not to  
17 contest the Accusation are made for the purpose of reaching an  
18 agreed disposition of this proceeding, and are expressly  
19 limited to this proceeding and any other proceeding or case in  
20 which the Bureau of Real Estate, or another licensing agency of  
21 this state, another state or the federal government is involved  
22 and otherwise shall not be admissible in any other criminal or  
23 civil proceedings.  
24

25           7. The Order or any subsequent Order of the Real  
26 Estate Commissioner made pursuant to this Stipulation and  
27 Agreement shall not constitute an estoppel, merger or bar to any

1 further administrative or civil proceedings by the Bureau of  
2 Real Estate with respect to any matters which were not  
3 specifically alleged to be causes for accusation in this  
4 proceeding.

5 8. Respondents understand that by agreeing to this  
6 Stipulation, Respondents jointly and severally agree to pay,  
7 pursuant to California Business and Professions Code ("Code")  
8 Section 10106, the Commissioner's cost for the investigation  
9 and enforcement of this matter. The amount of said cost is  
10 \$2,393.75.

11 DETERMINATION OF ISSUES

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

16 The Conduct of Respondents, as described in the  
17 Accusation, is grounds for the suspension or revocation of all  
18 of the real estate licenses and license rights of Respondents as  
19 follows: AMERICAN CITY EQUITIES INC. under the provisions of  
20 Code Sections 10137 and 10177(g); SANTIAGO ORVANANOS under the  
21 provisions of Code Sections 10159.2 and 10177(g); and JEAN PAUL  
22 SCHWARZ under the provisions of Code Section 10130.

23 ORDER

24 WHEREFORE, THE FOLLOWING ORDER is hereby made:

25 I. ALL licenses and licensing rights of Respondent  
26 AMERICAN CITY EQUITIES INC., under the Real Estate Law, are  
27 suspended for a period of sixty (60) days from the effective  
date of this Decision;

1                    A. Provided, however, that the entire period of said  
2 suspension shall be stayed for two (2) years upon the following  
3 terms and conditions:

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

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

15                    B. Pursuant to Code Section 10106, Respondent  
16 AMERICAN CITY EQUITIES INC. shall pay the Commissioner's  
17 reasonable costs for investigation and enforcement of the  
18 matter which led to this disciplinary action. The  
19 investigation and enforcement cost in this matter is \$2,393.75.  
20 Payment of these costs shall be made within sixty (60) days of  
21 the effective date of this Decision in the form of a cashier's  
22 or certified check to the Consumer Recovery Account of the  
23 Bureau of Real Estate.

24                    The Commissioner shall suspend the license of  
25 Respondent pending a hearing held in accordance with California  
26 Government Code Section 11500, et seq., if payment is not  
27 timely made as provided for herein, or as provided for in a

1 subsequent agreement between the Respondent and the  
2 Commissioner. The suspension shall remain in effect until  
3 payment is made in full or until Respondent enters into an  
4 agreement satisfactory to the Commissioner to provide for  
5 payment, or until a decision providing otherwise is adopted  
6 following a hearing held pursuant to this condition.

7 II. ALL licenses and licensing rights of Respondent  
8 SANTIAGO ORVANANOS, under the Real Estate Law, are suspended for  
9 a period of sixty (60) days from the effective date of this  
10 Decision;

11 A. Provided, however, that the entire period of said  
12 suspension shall be stayed for two (2) years upon the following  
13 terms and conditions:

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

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

25 B. Respondent SANTIAGO ORVANANOS shall, within six  
26 months from the effective date of this Decision, take and pass  
27 the Professional Responsibility Examination administered by the

1 Bureau including the payment of the appropriate examination fee.  
2 If Respondent fails to satisfy this condition, the Commissioner  
3 shall order suspension of Respondent's license until Respondent  
4 passes the examination.  
5

6 C. Pursuant to Code Section 10106, Respondent

7 SANTIAGO ORVANANOS shall pay the Commissioner's reasonable  
8 costs for investigation and enforcement of the matter which led  
9 to this disciplinary action. The investigation and enforcement  
10 cost in this matter is \$2,393.75. Payment of these costs shall  
11 be made within sixty (60) days of the effective date of this  
12 Decision in the form of a cashier's or certified check to the  
13 Consumer Recovery Account of the Bureau of Real Estate.

14 The Commissioner shall suspend the license of  
15 Respondent pending a hearing held in accordance with California  
16 Government Code Section 11500, et seq., if payment is not  
17 timely made as provided for herein, or as provided for in a  
18 subsequent agreement between the Respondent and the  
19 Commissioner. The suspension shall remain in effect until  
20 payment is made in full or until Respondent enters into an  
21 agreement satisfactory to the Commissioner to provide for  
22 payment, or until a decision providing otherwise is adopted  
23 following a hearing held pursuant to this condition.

24 III. All licenses and licensing rights of Respondent

25 JEAN PAUL SCHWARZ under the Real Estate Law are suspended for a  
26 period of ninety (90) days from the effective date of this  
27 Decision.

1                   A. Provided, however, that if Respondent requests, the  
2 initial thirty (30) days of said suspension (or a portion  
3 thereof) shall be stayed upon condition that:

4                   1. Respondent pays a monetary penalty pursuant to  
5 Section 10175.2 of the Code at the rate of \$50 per day for each  
6 day of the suspension for a total monetary penalty of \$1,500.

7                   2. Said payment shall be in the form of a cashier's  
8 check or certified check made payable to the Recovery Account of  
9 the Real Estate Fund. Said check must be received by the Bureau  
10 prior to the effective date of the Decision in this matter.

11                   3. No further cause for disciplinary action against  
12 the real estate license of Respondent occurs within two (2)  
13 years from the effective date of the Decision in this matter.

14                   4. If Respondent fails to pay the monetary penalty in  
15 accordance with the terms of the Decision, the Commissioner  
16 shall, without a hearing, order the immediate execution of all  
17 or any part of the stayed suspension, in which event the  
18 Respondent shall not be entitled to any repayment or credit,  
19 prorated or otherwise, for money paid to the Bureau under the  
20 terms of this Decision.

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

3 B. The remaining sixty (60) days of the ninety (90)  
4 day suspension shall be stayed for two (2) years upon the  
5 following terms and conditions:

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

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

17 C. Respondent shall, within six months from the  
18 effective date of this Decision, take and pass the Professional  
19 Responsibility Examination administered by the Bureau including  
20 the payment of the appropriate examination fee. If Respondent  
21 fails to satisfy this condition, the Commissioner shall order  
22 suspension of Respondent's license until Respondent passes the  
23 examination.

1                    D. On or before the effective date of this Decision,  
2 Respondent JEAN PAUL SCHWARZ shall provide proof of restitution  
3 in the amount of \$1,250 to consumer Angela Sales who is named  
4 in the Accusation filed in this case. Such proof shall be  
5 submitted to Bureau Counsel Cheryl Keily, Attention: Legal  
6 Section, Bureau of Real Estate, 320 W. Fourth St., Suite 350,  
7 Los Angeles, California 90013-1105, on or before the time set  
8 for performance.  
9

10                    The Commissioner shall suspend the license of  
11 Respondent pending a hearing held in accordance with California  
12 Government Code Section 11500, et seq., if payment is not  
13 timely made as provided for herein, or as provided for in a  
14 subsequent agreement between the Respondent and the  
15 Commissioner. The suspension shall remain in effect until  
16 payment is made in full or until Respondent enters into an  
17 agreement satisfactory to the Commissioner to provide for  
18 payment, or until a decision providing otherwise is adopted  
19 following a hearing held pursuant to this condition.  
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22                    E. Pursuant to Code Section 10106, Respondent JEAN  
23 PAUL SCHWARZ shall pay the Commissioner's reasonable costs for  
24 investigation and enforcement of the matter which led to this  
25 disciplinary action. The investigation and enforcement cost in  
26 this matter is \$2,393.75. Payment of these costs shall be made  
27 ~~within sixty (60) days of the effective date of this Decision~~  
in the form of a cashier's or certified check to the Consumer

1 Recovery Account of the Bureau of Real Estate.

2           The Commissioner shall suspend the license of  
3 Respondent pending a hearing held in accordance with California  
4 Government Code Section 11500, et seq., if payment is not  
5 timely made as provided for herein, or as provided for in a  
6 subsequent agreement between the Respondent and the  
7 Commissioner. The suspension shall remain in effect until  
8 payment is made in full or until Respondent enters into an  
9 agreement satisfactory to the Commissioner to provide for  
10 payment, or until a decision providing otherwise is adopted  
11 following a hearing held pursuant to this condition.

12  
13 DATED: Jan. 24, 2014

Cheryl D. Kelly  
CHERYL D. KELLY, Counsel  
BUREAU OF REAL ESTATE

14  
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16  
17 I have reviewed the Stipulation and Agreement as to  
18 form and content and have advised my clients accordingly.

19 DATED: 1-23-14

Frank M Buda  
Frank Buda, Esq.  
Attorney for Respondents  
AMERICAN CITY EQUITIES INC.  
SANTIAGO ORVANANOS  
JEAN PAUL SCHWARZ

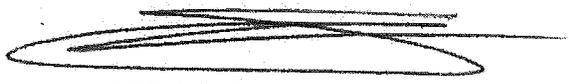
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24  
25 I have read the Stipulation and Agreement, and its  
26 terms are understood by me and are agreeable and acceptable to  
27 me. I understand that I am waiving rights given to me by the

1  
2 California Administrative Procedure Act (including but not  
3 limited to Sections 11506, 11508, 11509 and 11513 of the  
4 Government Code), and I willingly, intelligently and voluntarily  
5 waive those rights, including the right of requiring the  
6 Commissioner to prove the allegations in the Accusation at a  
7 hearing at which I would have the right to cross-examine  
8 witnesses against me and to present evidence in defense and  
9 mitigation of the charges.

10 Respondents can signify acceptance and approval of the  
11 terms and conditions of this Stipulation and Agreement by faxing  
12 a copy of the signature page, as actually signed by Respondents,  
13 to the Bureau at the following telephone/fax number (213) 576-  
14 6917. Respondent agrees, acknowledges, and understands that by  
15 electronically sending to the Bureau a fax copy of his actual  
16 signature as it appears on the Stipulation and Agreement, that  
17 receipt of the faxed copy by the Bureau shall be as binding on  
18 Respondent as if the Bureau had received the original signed  
19 Stipulation and Agreement.

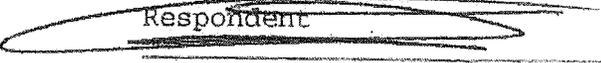
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22 DATED: 01/23/2014

  
AMERICAN CITY EQUITIES INC.  
Respondent

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24 DATED: \_\_\_\_\_

SANTIAGO ORVANANOS  
Respondent

25  
26 DATED: 01/23/2014

  
JEAN PAUL SCHWARZ  
Respondent

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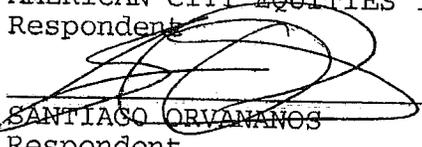
California Administrative Procedure Act (including but not limited to Sections 11506, 11508, 11509 and 11513 of the Government Code), and I willingly, intelligently and voluntarily waive those rights, including the right of requiring the Commissioner to prove the allegations in the Accusation at a hearing at which I would have the right to cross-examine witnesses against me and to present evidence in defense and mitigation of the charges.

Respondents can signify acceptance and approval of the terms and conditions of this Stipulation and Agreement by faxing a copy of the signature page, as actually signed by Respondents, to the Bureau at the following telephone/fax number (213) 576-6917. Respondent agrees, acknowledges, and understands that by electronically sending to the Bureau a fax copy of his actual signature as it appears on the Stipulation and Agreement, that receipt of the faxed copy by the Bureau shall be as binding on Respondent as if the Bureau had received the original signed Stipulation and Agreement.

DATED: \_\_\_\_\_

AMERICAN CITY EQUITIES INC.  
Respondent

DATED: 1/23/14

  
SANTIAGO ORVANANOS  
Respondent

DATED: \_\_\_\_\_

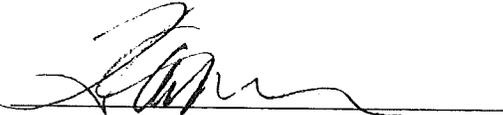
JEAN PAUL SCHWARZ  
Respondent

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The foregoing Stipulation and Agreement is hereby  
adopted as my Decision in this matter and shall become effective  
at 12 o'clock noon on APR 15 2014, 2014.

IT IS SO ORDERED March 5, 2014.



WAYNE S. BELL  
Real Estate Commissioner