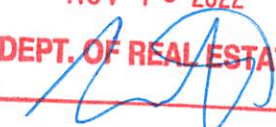


1 Department of Real Estate  
2 320 W. 4th Street, Suite 350  
3 Los Angeles, CA 90013-1105  
4 Telephone: (213) 576-6982

**FILED**  
NOV 16 2022  
DEPT. OF REAL ESTATE  
By 

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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-05308 SD  
12 )  
13 FARIS STEPHAN, )  
14 Respondent. ) STIPULATION AND AGREEMENT  
15 ) IN SETTLEMENT AND ORDER

16 It is hereby stipulated by and between FARIS STEPHAN (sometimes referred to as  
17 “Respondent”), acting by and through his attorney Steven A. Elia, Esq., and the Complainant,  
18 acting by and through Judith B. Vasan, Counsel for the Department of Real Estate, as follows for  
19 the purpose of settling and disposing of the Accusation (“Accusation”) filed on July 29, 2022, in  
20 this matter:

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

26 2. Respondent received, read and understands the Statement to Respondent, the  
27 Discovery Provisions of the APA and the Accusation filed by the Department of Real Estate

1 (“Department”) in this proceeding.

2 3. Respondent filed a Notice of Defense pursuant to Section 11506 of the Government  
3 Code for the purpose of requesting a hearing on the allegations in the Accusation. Respondent  
4 hereby freely and voluntarily withdraws said Notice of Defense. Respondent acknowledges that  
5 Respondent understands that by withdrawing said Notice of Defense Respondent thereby waives  
6 Respondent’s right to require the Commissioner to prove the allegations in the Accusation at a  
7 contested hearing held in accordance with the provisions of the APA and that Respondent will  
8 waive other rights afforded to Respondent in connection with the hearing such as the right to  
9 present evidence in his defense, and the right to cross-examine witnesses.

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

16 5. It is understood by the parties that the Real Estate Commissioner may adopt this  
17 Stipulation as his Decision in this matter thereby imposing the penalty and sanctions on  
18 Respondent’s real estate license, mortgage loan originator (“MLO”) license endorsement, and  
19 license rights as set forth in the below “Order.” In the event that the Commissioner in his  
20 discretion does not adopt the Stipulation, the Stipulation shall be void and of no effect and  
21 Respondent shall retain the right to a hearing and proceed on the Accusation under the provisions  
22 of the APA and shall not be bound by any stipulation or waiver made herein.

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

27 ///

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 FARIS STEPHAN, as set forth in the  
6 Accusation, are a basis for discipline of Respondent's real estate license, MLO license  
7 endorsement, and license rights pursuant to the Real Estate Law, Part 1 of Division 4 of the  
8 California Business and Professions Code ("Code") sections 10166.05(c), 10166.051(a),  
9 10166.051(b), 10177(d), 10177(g) and/or 10177(j).

10 ORDER

11 WHEREFORE, THE FOLLOWING ORDER is hereby made:

12 I. SUSPENSION OF MLO LICENSE ENDORSEMENT

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

16 2. If the suspension of the MLO license endorsement expires after December 31, 2022,  
17 Respondent may submit a renewal application for an MLO license endorsement through the  
18 NMLS during the renewal and/or reinstatement periods occurring between November 1, 2022,  
19 and February 28, 2023, with the understanding that the Department reserves the rights to fully  
20 investigate such renewal application for MLO license endorsement and may either approve or  
21 deny such application pursuant to the normal process for endorsement investigations.

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

26 4. Respondent further agrees that Respondent must satisfy the MLO Education and  
27 Administrative Penalty provisions prior to reinstatement of their MLO license endorsement or

1 issuance of another MLO license endorsement.

2 II. MORTGAGE LOAN ORIGINATION EDUCATION

3 1. Respondent shall, within ninety (90) days from the Effective Date of this Decision and  
4 Order, take and complete the following mortgage loan originator education requirements:

- 5 a) Twenty (20) hours of NMLS approved pre-licensure education (“PE”), which  
6 shall consist of fourteen (14) hours of federal law curriculum, three (3) hours of  
7 ethics curriculum, and three (3) hours of non-traditional mortgage lending  
8 curriculum. None of these twenty (20) hours of PE may be state-specific  
9 curriculum;
- 10 b) Eight (8) hours of continuing education (“CE”), which shall consist of four (4)  
11 hours of federal law curriculum, two (2) hours of ethics curriculum, and two (2)  
12 hours of non-traditional mortgage lending curriculum. None of these eight (8)  
13 hours of CE may be state-specific curriculum.

14 2. Respondent may not take any of the PE or CE provided for in Paragraph 1 of this  
15 Section in an online self-study format (“OSS”).

16 3. For a period of three (3) years from the Effective Date of this Order, Respondent shall  
17 be required to complete any additional required PE and/or CE in a format other than OSS.

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

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

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1 III. ADMINISTRATIVE PENALTY

2 All licenses and licensing rights of Respondent are indefinitely suspended unless or until  
3 Respondent pays an administrative penalty of \$1,500.00. Said payment shall be in the form of a  
4 cashier's check made payable to the Department of Real Estate. The payment must be delivered  
5 to the Department of Real Estate, Flag Section, at P.O. Box 137013, Sacramento, CA 95813-  
6 7013, prior to the Effective Date of this Decision and Order.

7 IV. STAYED SUSPENSION OF REAL ESTATE LICENSE

8 All licenses and licensing rights of Respondent under the Real Estate Law, with the  
9 exception of the MLO license endorsement (NMLS ID 399447) referenced in Section I above,  
10 are suspended for a period of ninety (90) days from the Effective Date of this Decision;  
11 provided, however, that all ninety (90) days of said suspension shall be stayed for one (1) year  
12 upon the following terms and conditions:

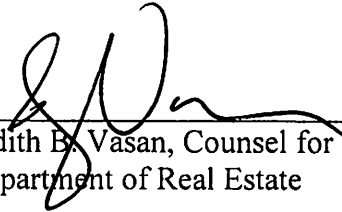
13 1. Respondent shall obey all laws, rules and regulations governing the rights, duties and  
14 responsibilities of a real estate licensee in the State of California; and

15 2. That no final subsequent determination be made, after hearing or upon stipulation, that  
16 cause for disciplinary action occurred within one (1) year from the effective date of this Decision  
17 and Order. Should such a determination be made, the Commissioner may, in his discretion,  
18 vacate and set aside the stay order and reimpose all or a portion of the stayed suspension. Should  
19 no such determination be made, the stay imposed herein shall become permanent.

20 V. INVESTIGATION AND ENFORCEMENT COSTS

21 All licenses and licensing rights of Respondent are indefinitely suspended unless or until  
22 Respondent pays the sum of \$735.75 for the Commissioner's reasonable costs of the  
23 investigation (\$514.95) and enforcement (\$220.80), which led to this disciplinary action. Said  
24 payment shall be in the form of a cashier's check made payable to the Department of Real Estate.  
25 The payment of the investigative and enforcement costs must be delivered to the Department of  
26 Real Estate, Flag Section, at P.O. Box 137013, Sacramento, CA 95813-7013, prior to the  
27 Effective Date of this Decision and Order.

1  
2 DATED: 10-26-2012

3   
4 Judith B. Vasan, Counsel for  
5 Department of Real Estate

6 EXECUTION OF THE STIPULATION

7 I have read the Stipulation and its terms are understood by me and are agreeable and  
8 acceptable to me. I understand that I am waiving rights given to me by the California  
9 Administrative Procedure Act (including but not limited to Sections 11506, 11508, 11509 and  
10 11513 of the Government Code), and I willingly, intelligently and voluntarily waive those rights,  
11 including the right of requiring the Commissioner to prove the allegations in the Accusation at a  
12 hearing at which I would have the right to cross-examine witnesses against me and to present  
13 evidence in defense and mitigation of the charges.

14 Respondent shall mail the original signed signature page of the stipulation herein to  
15 Judith B. Vasan, Attention: Legal Section, Department of Real Estate, 320 W. Fourth St., Suite  
16 350, Los Angeles, California 90013-1105.

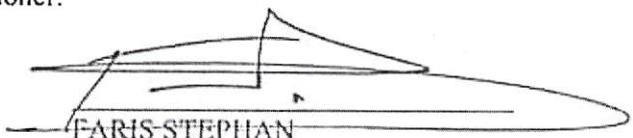
17 In the event of time constraints before an administrative hearing, Respondent can signify  
18 acceptance and approval of the terms and conditions of this Stipulation and Agreement by  
19 emailing a scanned copy of the signature page, as actually signed by Respondent, to the  
20 Department counsel assigned to this case. Respondent agrees, acknowledges, and understands  
21 that by electronically sending the Department a scan of Respondent's actual signature as it  
22 appears on the Stipulation and Agreement that receipt of the scan by the Department shall be  
23 binding on Respondent as if the Department had received the original signed Stipulation and  
24 Agreement.

25 Respondent's signature below constitutes acceptance and approval of the terms and  
26 conditions of this Stipulation. Respondent agrees, acknowledges and understands that by signing  
27 this Stipulation, Respondent is bound by its terms as of the date of such signatures and that this  
agreement is not subject to rescission or amendment at a later date except by a separate Decision

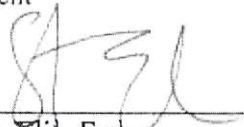
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and Order of the Real Estate Commissioner.

DATED: OCT. 11, 2022

  
FARIS STEPHAN  
Respondent

DATED: 11/11/2022

  
Steven A. Elia, Esq.  
Counsel for Respondent  
Approved as to form and content

The foregoing Stipulation and Agreement is hereby adopted as my Decision as to Respondent FARIS STEPHAN and shall become effective at 12 o'clock noon on DEC 20 2022

IT IS SO ORDERED 11. 10. 22

DOUGLAS R. McCAULEY  
REAL ESTATE COMMISSIONER

