

Frank

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

FILED

JUL 12 2012

DEPARTMENT OF REAL ESTATE
BY: *[Signature]*

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

11 In the Matter of the Accusation of)
12)
13 INTERSTATE MORTGAGE ALLIANCE)
14 CORPORATION; and ETHAN JAY RUCH,)
15 as designated officer of)
16 Interstate Mortgage Alliance)
Corporation,)
Respondents.)

No. H-37142 LA
L-2011040199

STIPULATION
AND
AGREEMENT

17 It is hereby stipulated by and between Respondents INTERSTATE MORTGAGE
18 ALLIANCE CORPORATION and ETHAN JAY RUCH, individually and as designated officer
19 of Interstate Mortgage Alliance Corporation (sometimes collectively referred to as
20 "Respondents"), represented by Frank M. Buda Esq. and the Complainant, acting by and through
21 Elliott Mac Lennan, Counsel for the Department of Real Estate, as follows for the purpose of
22 settling and disposing of the Accusation ("Accusation") filed on March 17, 2011, in this matter:

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

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

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

12 4. This Stipulation is based on the factual allegations contained in the Accusation.
13 In the interest of expedience and economy, Respondents choose not to contest these allegations,
14 but to remain silent and understand that, as a result thereof, these factual allegations, without
15 being admitted or denied, will serve as a prima facie basis for the disciplinary action stipulated to
16 herein. The Real Estate Commissioner shall not be required to provide further evidence to prove
17 said factual allegations.

18 5. This Stipulation is made for the purpose of reaching an agreed disposition of
19 this proceeding and is expressly limited to this proceeding and any other proceeding or case in
20 which the Department of Real Estate ("Department"), the state or federal government, or any
21 agency of this state, another state or federal government is involved.

22 6. It is understood by the parties that the Real Estate Commissioner may adopt
23 this Stipulation as his Decision in this matter thereby imposing the penalty and sanctions on
24 Respondents' real estate licenses and license rights as set forth in the "Order" herein below. In
25 the event that the Commissioner in her discretion does not adopt the Stipulation, it shall be void
26 and of no effect and Respondents shall retain the right to a hearing and proceeding on the
27 Accusation under the provisions of the APA and shall not be bound by any stipulation or waiver

1 made herein.

2 7. The Order or any subsequent Order of the Real Estate Commissioner made
3 pursuant to this Stipulation shall not constitute an estoppel, merger or bar to any further
4 administrative or civil proceedings by the Department of Real Estate with respect to any matters
5 which were not specifically alleged to be causes for Accusation in this proceeding but do
6 constitute a bar, estoppel and merger as to any allegations actually contained in the Accusations
7 against Respondent herein.

8 8. Respondents understand that by agreeing to this Stipulation, Respondents agree
9 to pay, pursuant to Business and Professions Code Section 10148, the cost of the audit. The
10 amount of said cost for the original audit (LA090082) is \$15,008.20.

11 9. Respondents have received, read, and understand the "Notice Concerning
12 Costs of Subsequent Audit". Respondents further understand that by agreeing to this Stipulation,
13 the findings set forth below in the Determination of Issues become final, and the Commissioner
14 may charge Respondents for the cost of any subsequent audit conducted pursuant to Business and
15 Professions Code Section 10148 to determine if the violations have been corrected. The
16 maximum cost of the follow-up audit will not exceed \$15,008.20.

17 DETERMINATION OF ISSUES

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

20 I.

21 The conduct, acts or omissions of INTERSTATE MORTGAGE ALLIANCE
22 CORPORATION, as described in Paragraph 4, herein above, are in violation of Section 10145,
23 and 10232 (e), 10232.4, 10234(a), 10238(a), 10238(g), 10238(h)(4)(A) &(B), and 10238(k)(3) of
24 the Business and Professions Code ("Code") and is a basis for discipline of Respondent's license
25 and license rights as violation of the Real Estate Law pursuant to Code Section 10177(d).

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1 II.

2 The conduct, acts or omissions of ETHAN JAY RUCH, as described in Paragraph
3 4, herein above, are in violation of Code Section 10159.2 and Section 2725 of Title 10, Chapter 6
4 of the California Code of Regulations, and is a basis for discipline of Respondent's license and
5 license rights as violation of the Real Estate Law pursuant to Code Section 10177(h).

6 ORDER

7 WHEREFORE, THE FOLLOWING ORDER is hereby made:

8 I.

9 All licenses and licensing rights of Respondents INTERSTATE MORTGAGE
10 ALLIANCE CORPORATION and ETHAN JAY RUCH, under the Real Estate Law are
11 suspended for a period of sixty (60) days from the effective date of this Decision, provided
12 however; said suspension shall be stayed for two (2) years upon the following terms and
13 conditions:

- 14 1. Respondents 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 2. 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 date
18 of this Decision. Should such a determination be made, the Commissioner may, in her
19 discretion, vacate and set aside the stay order and reimpose all or a portion of the stayed
20 suspension. Should no such determination be made, the stay imposed herein shall become
21 permanent.

22 II.

23 Pursuant to Section 10148 of the Business and Professions Code, Respondents
24 INTERSTATE MORTGAGE ALLIANCE CORPORATION and ETHAN JAY RUCH, shall pay
25 the Commissioner's reasonable cost for (a) the audit which led to this disciplinary action and (b)
26 a subsequent audit to determine if Respondents are now in compliance with the Real Estate Law.
27 The cost of the audit which led to this disciplinary action is \$15,008.20. In calculating the


1 amount of the Commissioner's reasonable cost, the Commissioner may use the estimated average
2 hourly salary for all persons performing audits of real estate brokers, and shall include an
3 allocation for travel time to and from the auditor's place of work. Said amount for the prior and
4 subsequent audits shall not exceed \$30,016.40. Respondents shall pay such cost within 60 days
5 of receiving an invoice from the Commissioner detailing the activities performed during the audit
6 and the amount of time spent performing those activities.

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

14 III.

15 Respondent ETHAN JAY RUCH, shall, within nine (9) months from the effective
16 date of this Decision, present evidence satisfactory to the Real Estate Commissioner that
17 Respondent has, since the most recent issuance of an original or renewal real estate license, taken
18 and successfully completed the continuing education requirements of Article 2.5 of Chapter 3 of
19 the Real Estate Law for renewal of a real estate license. If Respondent fails to satisfy this
20 condition, the Commissioner may order the suspension of Respondent's license until Respondent
21 presents such evidence. The Commissioner shall afford Respondent the opportunity for a
22 hearing pursuant to the Administrative Procedure Act to present such evidence.

23
24
25 DATED: 5-29-12

26 
27 ELLIOTT MAC LENNAN, Counsel for
Department of Real Estate

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2 EXECUTION OF THE STIPULATION

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

11 MAILING AND FACSIMILE

12 Respondents (1) shall mail the original signed signature page of the stipulation
13 herein to Elliott Mac Lennan: Attention: Legal Section, Department of Real Estate, 320 W.
14 Fourth St., Suite 350, Los Angeles, California 90013-1105. Respondents shall also (2) facsimile
15 a copy of signed signature page, to the Department at the following telephone/fax number: (213)
16 576-6917, Attention: Elliott Mac Lennan.

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A facsimile constitutes acceptance and approval of the terms and conditions of this stipulation. Respondents agree, acknowledge and understand that by electronically sending to the Department a facsimile copy of Respondents' actual signature as it appears on the stipulation that receipt of the facsimile copy by the Department shall be as binding on Respondents as if the Department had received the original signed stipulation.

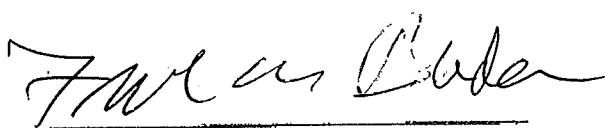
DATED: 5/23/12


INTERSTATE MORTGAGE ALLIANCE CORPORATION, Respondent
By: ETHAN JAY RUCH, D.O.

DATED: 5/23/12


ETHAN JAY RUCH, Respondent,
Individually and as designated officer

DATED: 5/27/12

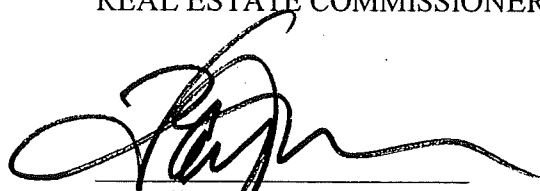

FRANK M. BUDA, ESQ.
Attorney for Respondents
Approved as to form

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The foregoing Stipulation and Agreement is hereby adopted as my Decision as to Respondents INTERSTATE MORTGAGE ALLIANCE CORPORATION and ETHAN JAY RUCH, and shall become effective at 12 o'clock noon on August 01, 2012.

IT IS SO ORDERED July 2, 2012.

REAL ESTATE COMMISSIONER



By WAYNE S. BELL
Chief Counsel