

BEFORE THE REAL ESTATE COMMISSION

STATE OF COLORADO

Case No. RG RE DLQUI
Complaint No. 80358301
Case No. 80359527

STIPULATION AND FINAL AGENCY ORDER

IN THE MATTER OF THE DISCIPLINARY ACTION AGAINST THE REAL
ESTATE BROKER'S LICENSE OF LOUAY M. KAHALE, LICENSE NO.
FA100013258, Respondent.

IT IS HEREBY STIPULATED by and between the Colorado Real Estate Commission (the "Commission") and the Respondent, Louay M. Kahale, (the "Respondent"), as follows:

1. At all times relevant hereto, the Respondent was a licensed real estate broker in the state of Colorado.
2. The Commission has jurisdiction over the Respondent and the subject matter of this action.
3. The Commission commenced an investigation of Respondent's activities.
4. The Commission notified the Respondent of the investigation and Respondent was given the opportunity to give written data, views and arguments concerning the investigation.
5. At its regularly scheduled public meeting on October 2, 2007, the Commission considered the investigative report and found probable cause to refer the Respondent to hearing for violation of the real estate licensing law. The Commission authorized the preparation of this Stipulation and Final Agency Order, including the disciplinary terms contained in paragraph 8 below, as means to settle and resolve this matter.
6. Respondent was provided with a copy of the investigative report and was given an opportunity to meet with the Commission's staff regarding this matter.
7. Respondent admits the following:

a. Respondent was originally licensed by the Commission as a real estate broker on or about February 2, 2007 and issued license number FA100013258.

b. On or about July 6, 2007, Respondent entered into a plea agreement in the United States District Court for the District of Colorado, *United States of America v. Louay M. Kahale*, Case No. 07-CR-00088-EWN-01. ("Case No. 07-CR-00088-EWN-01").

c. Respondent pleaded guilty to wire fraud and aiding and abetting, in violation of 18 U.S.C. § § 1343 & 2 (count 1), a class C felony.

d. Respondent admitted that on or about August 23, 2004, Respondent prepared a loan application for a client for the purchase of residential property. Respondent admitted that information contained in the loan application was false, fraudulent and misrepresented his client's true financial condition. Respondent had supplied the false, fraudulent financial information in the loan application.

e. Respondent submitted the loan application to a financial institution. The financial institution relied on the false information that Respondent had provided in the application, and approved and funded the loan. The lender requested that money be wire transferred to close the escrow and finalize the transaction. The money was wire transferred.

f. On or about July 9, 2007, Respondent was sentenced in Case No. 07-CR-00088-EWN-01 to a three-year term of probation with conditions, and ordered to pay a \$5000 fine and \$100 special assessment. Respondent entered a guilty plea to crimes under federal law in connection with preparing a loan application for the purchase of residential property that contained false information, and misrepresented the true financial condition of the client.

g. Respondent demonstrated unworthiness or incompetency to act as a real estate broker or salesperson by conducting business in such a manner as to endanger the interest of the public.

h. Respondent's conduct constitutes dishonest dealing because Respondent prepared a loan application for a client that contained information that was false, fraudulent and misrepresented his client's true financial condition.

i. Respondent further admits that these facts constitute a violation of §§ 12-61-113 (l) (m), (n) and (t) C.R.S.

8. The Respondent accepts the following discipline:
- a. Respondent hereby relinquishes the license and the right to practice as a real estate broker, and Respondent will pay a stayed fine of \$2,500.00. Such relinquishment shall have full force and effect as a revocation ordered by the Commission. Such revocation shall be effective immediately upon execution of this Stipulation and Final Agency Order by an authorized representative of the Commission. Respondent tenders the license simultaneously with execution of this document, and any registration(s), license(s), certificate(s) and/or pocket card(s) of Respondent. On and after the effective date of this Stipulation and Final Agency Order, Respondent shall not engage in any act requiring a real estate license as set forth in §12-61-101 and §12-61-102, C.R.S. The Commission reserves the right, notwithstanding the provisions of paragraph 9 below, to review the allegations and/or charges raised by the investigation which is identified in paragraphs 3 and 4 above should Respondent ever apply for any license issued by the Commission.
9. It is the intent and purpose of this Stipulation and Final Agency Order to provide for the settlement of the particular issues, allegations and/or charges raised by the investigation of the Respondent's activities by the Commission as set forth above.
10. The Commission expressly reserves:
- a. the right to proceed with a subsequent disciplinary action in the event that the Respondent fails to comply with the terms of the Stipulation and Final Agency Order;
 - b. the right to proceed against the Respondent's license under Subsection § 12-61-307, C.R.S. if there is a payment from the Real Estate Recovery Fund based upon any conduct of the Respondent; and
 - c. the right to publish this Stipulation and Final Agency Order or a summary of the disciplinary terms provided for herein in the "Real Estate News," a Commission publication, and to continue thereafter to treat this Stipulation and Final Agency Order as a public record in the custody of the Commission.
11. Respondent understands that if Respondent applies for licensure at any future time, Respondent will be required to comply with all licensure criteria which exist at the time of the application, including re-examination, if necessary. Respondent must also pay the fine of \$2,500.00.
12. Respondent acknowledges that he has had the opportunity to discuss the terms of this Stipulation and Final Agency Order with counsel of his choosing, and

Respondent has discussed the terms of this Stipulation and Final Agency Order with counsel. Respondent understands the effect of, and knowingly and voluntarily enters into, this Stipulation and Final Agency Order. The Respondent further knowingly and voluntarily waives the following rights:

- a. the right to a formal disciplinary hearing on the merits of the matters forming the basis of this Stipulation and Final Agency Order and the right to require the Commission to meet its burden of proof in the formal hearing;
- b. the right to confront and cross-examine all witnesses against the Respondent at the formal hearing;
- c. the right to subpoena witnesses, present evidence and to testify on the Respondent's own behalf at the formal hearing;
- d. the right to be represented by counsel of the Respondent's own choosing and at the Respondent's expense at any stage of this proceeding;
- e. the right to engage in pre-hearing discovery of the Commission's evidence; and
- f. the right to appeal the Final Agency Order provided for by this Stipulation.

13. On the date upon which this Stipulation is executed by an authorized representative of the Commission, it shall become the Final Agency Order of the Commission.

14. Upon execution of this Stipulation and Final Agency Order by the Commission, the Commission will file a motion to dismiss OAC Case No. RC20080021, *Real Estate Commission v. Louay M. Kahale*.

RESPONDENT

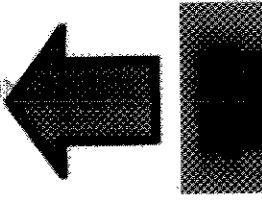


LOUAY M. KAHALE

COLORADO REAL ESTATE COMMISSION


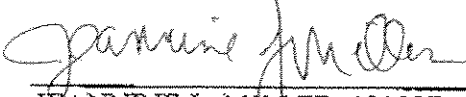
By: 

ERIN TOLL, Director
1560 Broadway, Suite
Denver, Colorado 80202



Effective Date: This 25th day of August, 2008.

APPROVED AS TO FORM

<p>THOR INOUYE, ESQ.</p>  <hr/> <p>THOR INOUYE, ESQ Frascona, Joiner, Goodman and Greenstein, P.C. 4750 Table Mesa Drive Boulder, Colorado 80305-5500</p> <p>Telephone: (303) 494-3000 FAX: (303) 494-6309</p> <p>Attorneys for Louay M. Kahale, Respondent.</p>	<p>JOHN W. SUTHERS Attorney General</p>  <hr/> <p>JEANNINE L. MILLER, *31097 Assistant Attorney General Business and Licensing Section</p> <p>Attorneys for the Colorado Real Estate Commission</p> <p>1525 Sherman Street, 5th Floor Denver, Colorado 80203 Telephone: (303) 866-5464 FAX: (303) 866-5395 *Counsel of Record</p>
---	---

Effective Date: