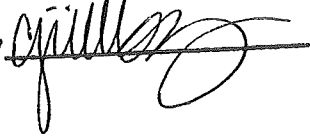


FILED

MAY 19 2015

BUREAU OF REAL ESTATE

By 

BEFORE THE BUREAU OF REAL ESTATE

STATE OF CALIFORNIA

In the Matter of the Accusation of

LOS ANGELES APARTMENT
CORPORATION and RONALD O.
ESCOBAR, individually and as designated
officer of Los Angeles Apartment Corporation,

Respondent.

CalBRE No. H-39509 LA

OAH No. 2014070935

DECISION

The Proposed Decision dated April 8, 2015, of the Administrative Law Judge of the Office of Administrative Hearings, is hereby adopted as the Decision of the Real Estate Commissioner in the above-entitled matter.


The Decision suspends or revokes one or more real estate licenses, but the right to a restricted license is granted to Respondent Ronald O. Escobar.

The right to reinstatement of a revoked real estate license or to the reduction of a penalty is controlled by Section 11522 of the Government Code. A copy of Section 11522 and a copy of the Commissioner's Criteria of Rehabilitation are attached hereto for the information of respondent.

This Decision shall become effective at 12 o'clock noon on JUN - 8 2015

IT IS SO ORDERED 5/9/2015

REAL ESTATE COMMISSIONER


WAYNE S. BELL

**BEFORE THE
BUREAU OF REAL ESTATE
STATE OF CALIFORNIA**

In the Matter of the Accusation Against:

**LOS ANGELES APARTMENT
CORPORATION and RONALD O.
ESCOBAR, individually and as designated
officer of Los Angeles Apartment
Corporation,**

Respondents.

Case No. H-39509 LA

OAH No. 2014070935

PROPOSED DECISION

Howard W. Cohen, Administrative Law Judge with the Office of Administrative Hearings, heard this matter on March 3 and 10, 2015, in Los Angeles, California.

Lisete Garcia, Counsel for the Bureau of Real Estate (Bureau), appeared on behalf of complainant Maria Suarez, Deputy Real Estate Commissioner of the State of California.

Fredrick M. Ray, Attorney at Law, represented respondents Los Angeles Apartment Corporation (LAAC) and Ronald O. Escobar, who was present at hearing.

Oral and documentary evidence was received, the record was closed, and the matter was submitted on March 10, 2015.

FACTUAL FINDINGS

Parties and Jurisdiction

1. Complainant filed the Accusation in her official capacity. Respondents timely filed a joint notice of defense.

2. The Bureau issued real estate corporation license number C/01844635 to respondent LAAC on June 13, 2009, with respondent Escobar as designated officer. Select Real Estate was added to the license as a fictitious business name on December 10, 2009. Century 21 Select was added as a fictitious business name on May 27, 2014. LAAC's main office address is listed as 5651 West Pico Boulevard, Number 204, Los Angeles, with a branch license at 9595 Wilshire Boulevard, Suite 900, Beverly Hills. The license is scheduled to expire on July 26, 2017, unless renewed.

3. The Bureau issued real estate broker license number B/01460645 to respondent Escobar on October 30, 2004. The license is scheduled to expire on January 21, 2016, unless renewed. Escobar is licensed as an officer of, among other entities, Select Real Estate Management, with a main office address of 5651 West Pico Boulevard, No. 203, Los Angeles.

4. The Bureau issued real estate corporation license number C/01460646 to Select Real Estate Corporation on October 30, 2004, with respondent Escobar as the designated officer. The license expired on October 30, 2008.

The Bureau's Charges

5. In the Accusation, in the First Cause for Discipline, complainant alleged that in January 2011, Escobar offered to list and negotiate the short sale of a condominium located on White Oak Avenue in Encino, California (White Oak property) for seller Erick A. Complainant alleged that Escobar failed to disclose various fees to Erick A.'s lender, which required full disclosure in order to approve the short sale, and that, during escrow and after escrow closed in December 2011, Escobar and his agents made misrepresentations to, and improper demands for payment from, Erick A.

6. Complainant further alleged that respondents' acts and omissions, as set forth in Factual Finding 5, constitute cause for the suspension or revocation of the licensing rights of respondents LAAC and Escobar under Business and Professions Code sections 10176, subdivisions (a) (substantial misrepresentation), (g) (undisclosed amount of compensation), (i) (fraud or dishonest dealing), and (j) (fraud or dishonest dealing), and 10177, subdivisions (d) (violation of the Real Estate Law), (g) (negligence), and (h) (failure to supervise).¹

7. Complainant also charged respondents, in the Second Cause for Discipline, with the following separate violations of the Real Estate Law, statutes, and regulations:

a. LAAC had no written broker-salesperson agreement for real estate salesperson Yanir Stein, in violation of California Code of Regulations (CCR), title 10, section 2726.

b. LAAC had no written broker-salesperson agreement for real estate salesperson Melissa Yee Bederman, in violation of CCR, title 10, section 2726.

c. Escobar failed to notify the Bureau that salesperson Cesar Alex Rodriguez had changed his employment from Escobar to LAAC, in violation of CCR, title 10, section 2752.

¹ All further statutory references are to the Business and Professions Code.

d. LAAC's transaction file for the sale of real property located on Fulbright Avenue, in Winnetka, California, did not contain any written proof that the buyer had received a termite report or completion of a termite inspection, in violation of CCR, title 10, section 2905.

e. LAAC and Escobar used the unlicensed fictitious business name, Select Real Estate Corp., for listing the sale of real property located on Fulbright Avenue, in Winnetka, California, in violation of Code sections 10130 and 10159.5.

f. LAAC's transaction file for the short sale of a real property located on West 121st Street, in Hawthorne, California, showed that a commission was paid to Select Real Estate Corporation after the expiration of Select Real Estate Corporations real estate corporation license, in violation of Code sections 10130 and 10137.

g. LAAC's transaction file for the sale of real property located on Sawtelle Boulevard, in Culver City, California, did not contain a copy of the listing agreement, or written proof that negotiability of commission was disclosed or whether there was a definite termination date of the agreement, in violation of Code sections 10147.5 and 10176, subdivision (f).

8. Complainant alleged that respondents' acts and omissions, as set forth in Factual Finding 7, constitute cause for the suspension or revocation of the licensing rights of respondents LAAC and Escobar under Code sections 10177, subdivisions (d) (violation of the Real Estate Law), (g) (negligence), and (h) (failure to supervise).

The White Oak Property Transaction

9. In January 2011, Escobar, while doing business as Select Real Estate, offered to list and negotiate the short sale of the White Oak property for prospective seller Erick A., who had been referred to Escobar by a friend. Escobar met with Erick A. and described the short sale process. Thereafter, Erick A. dealt primarily with Eugene Fu, an assistant to Escobar who is not licensed by the Bureau.

10. Escrow on the short sale transaction closed on December 21, 2011. According to the final HUD-1 statement, the affidavits of arm's length transactions, and the lender's approval to close, all commissions including administrative fees were not to exceed six percent of the selling price, or \$9,300. Erick A. was to receive a \$20,000 incentive from his lender, Chase, for the transaction, because he avoided foreclosure, and a separate incentive payment of \$3,000 provided under the Home Affordable Foreclosure Alternatives ("HAFA") program. Escobar signed affidavits of arm's length transactions under penalty of perjury which affirmed that there was no agreement, understanding, or contract relating to the short sale that had not been disclosed to the lender.

11. At the close of escrow, the escrow company issued a payment of \$23,000 to the seller, Erick A., from the proceeds of the short sale transaction. The total commission of \$9,300 was split between the listing and selling brokers. Select Real Estate's commission was \$4,650.

Escobar instructed the escrow company to deduct \$1,595.04 from Select Real Estate's commission to pay for Erick A.'s condominium homeowners association ("HOA") fees.

12. After the close of escrow, Erick A. met with Escobar at Escobar's office. Escobar demanded that Erick A. pay \$10,000, in a check made payable to Attorney Legal Solutions, for legal fees that Escobar claimed were owed to Ron Tavakoli, an attorney who Escobar said had provided legal services to Erick A.² In 2010, at Escobar's invitation, Tavakoli opened an office within Escobar's real estate broker's office. Tavakoli provided legal services to Escobar's clients, including filing bankruptcy petitions on behalf of those clients facing foreclosure. The automatic bankruptcy stay would delay foreclosure and allow Escobar time to negotiate with mortgage lenders on his clients' behalf. There was no evidence that Escobar had any fee sharing agreement with Tavakoli. Escobar took it upon himself to collect what he believed Erick A. owed Tavakoli for the legal work Tavakoli had performed, testifying that he felt that, because he had referred Erick A.'s business to Tavakoli, he bore some responsibility for Erick A.'s failure to pay.

13. Escobar also demanded a separate check, made payable to Select Real Estate, in the amount of \$1,595.04 as reimbursement for the HOA fees that had been withheld by the escrow company from Select Real Estate's commission at Escobar's request. Escobar did not explicitly state that the \$10,000 payment was a condition for releasing Erick A.'s proceeds owed from escrow.

14. Erick A. wrote the checks and gave them to Escobar, but he subsequently cancelled payment of the \$10,000 personal check he made to Attorney Legal Solutions.

15. Escobar then sent a letter, dated January 6, 2012 on behalf of Select Real Estate to Erick A., demanding payment of \$10,000 to Attorney Legal Solutions, Tavakoli's firm, as a "contingency fee" for negotiating the \$20,000 incentive payment from Chase and the \$3,000 HAFA payment, and for drafting a civil complaint against Chase on Erick A.'s behalf. Escobar's letter stated that if Erick A. did not pay the \$10,000, LAAC and Attorney Legal Solutions would pursue additional collection efforts to the full extent of the law, including reporting the bad check to the District Attorney and filing a lawsuit. Escobar also threatened to inform Chase that Erick A. did not live at the White Oak property at the time of the short sale, falsely representing that that would make Erick A. ineligible for the incentive payments he had received from Chase and exposing him to "potential prosecution by the FBI for mortgage fraud." (Ex. 14.)

16. Pedro Villasmi, an assistant vice president in the Mortgage Banking Division at Chase, Erick A.'s lender, testified that it was not a condition of Chase's approval of the short sale for Erick A. to be residing at the White Oak property at the time of the closing of the short sale. He testified that the incentive payment of \$20,000 was a standard program at Chase to

² Tavakoli held a real estate broker license, number B/00988642, from May 10, 1988, to October 28, 2010.

encourage borrowers to avoid foreclosure. He testified that neither the \$10,000 incentive payment nor the standard HAFA incentive payment of \$3,000 had to be negotiated with Escobar or Tavakoli. Villasmil also testified that Erick A. and his agent, Escobar, were required to disclose to Chase all agreements regarding the short sale and all commissions and fees. He testified that a \$10,000 fee charged by Escobar as a contingency fee for the short sale would have violated the HAFA and the affidavit, and would have prevented Chase's approval of the transaction. He testified that, if the fee were an attorney's fee for a loan modification that did not conclude, the fee would not have to be disclosed on the forms, but any fee to be paid from the proceeds of the short sale had to be disclosed and approved, including fees to be collected by any attorney.

17. Erick A. filed a complaint with the Bureau. He testified at the hearing and substantiated the allegations about Escobar's demand for payments. His testimony about the details of the short sale transaction was, however, inconsistent and in certain respects lacked credibility. He denied having signed any documents in the presence of a notary public, an assertion contradicted by the evidence. He denied ever having talked to or met with Escobar until after escrow closed; Escobar's testimony regarding the content of prior conversations and meetings with Erick A. were detailed and more credible. The evidence did not clearly establish the nature of the legal work, if any, performed by Tavakoli for Erick A., its relationship, if any, to the short sale, and whether it should have been disclosed to Chase. But the evidence did establish that Escobar, in his letter to Erick A., tied Tavakoli's bill to the Chase incentive payment and to alleged legal work on the short sale transaction, which, if true, should have been disclosed to Chase.

Other Alleged Regulatory Violations

18. On December 13, 2012, the Bureau conducted a broker office survey (BOS) of LAAC's licensed activities. Escobar cooperated with the Bureau in its conduct of the BOS. The BOS identified the statutory and regulatory violations set forth in the Second Cause for Discipline in the Accusation. (Factual Findings 7 & 8.) Complainant established, and respondent Escobar admitted at hearing, that respondents committed the following violations:

a. LAAC had no written broker-salesperson agreement for real estate salesperson, Yanir Stein. (See Factual Finding 7.a.) Escobar explained, however, that Stein did not perform real estate transactions, but oversaw respondent's construction jobs.

b. LAAC failed to have a written broker-salesperson agreement for real estate salesperson, Melissa Yee Bederman. (See Factual Finding 7.b.) Respondent testified that he had used an old written Select Real Estate Corp. agreement with Bederman, rather than using an updated Century 21 Select agreement.

c. Respondent Escobar failed to notify the Bureau that salesperson Cesar Alex Rodriguez had changed his employment from Escobar to LAAC. (See Factual Finding 7.c.) Escobar admitted that he erroneously assigned Rodriguez's license to his personal license, rather than the LAAC corporate broker license.

d. LAAC's transaction file for the sale of real property located on Fulbright Avenue, in Winnetka, California, did not contain any written proof that the buyer had received a termite report or completion of a termite inspection. (See Factual Finding 7.d.) Escobar testified that the termite inspection report had been misfiled, and produced it to complainant prior to the hearing.

e. LAAC and ESCOBAR used the unlicensed fictitious business name, Select Real Estate Corp., for listing the sale of real property located on Fulbright Avenue, in Winnetka, California. (See Factual Finding 7.e.) Respondent explained that the erroneous listing information was taken from the National Association of Realtors (NAR) database; he has succeeded in having the NAR database updated to show the current licensed fictitious business name, Century 21 Select.

f. LAAC's transaction file for the short sale of a real property located on West 121st Street, in Hawthorne, California, showed that a commission was paid to Select Real Estate Corporation after the expiration of Select Real Estate Corporation's real estate corporation license. (See Factual Finding 7.f.) Again, respondent testified that the listing was from the NAR database, which has been updated.

g. LAAC's transaction file for the sale of real property located on Sawtelle Boulevard, in Culver City, California, did not contain a copy of the listing agreement, and there was no written proof that negotiability of commission was disclosed or whether there was a definite termination date of the agreement. (See Factual Finding 7.g.) Respondent explained that there was no listing agreement because ROE Apartments LLC, an entity he owns, owned the real property, which he was "flipping," and he did not think he had to enter a written listing agreement with himself.

Mitigation and Rehabilitation

19. Escobar has never before been disciplined by the Bureau. Escobar testified that he is a top performing broker on Zillow, an online real estate database with client reviews.

20. Escobar has been married for 21 years; he and his wife have two boys, ages 13 and 10. His parents live with him and his wife, who is a part-time loan officer for a mortgage company. Escobar is the main source of his family's income. After serving with the Marine Corps, he obtained a bachelors degree in business administration from the University of Southern California in 1997, worked in telecommunications, and then obtained a Master of Business Administration degree at the University of Southern California in 2001. He obtained his real estate broker's license in 2003 and his general contractor's license in 2006. He worked as a bank branch manager and then formed his own company, Select Real Estate Corporation, to work as a mortgage broker. After filing for bankruptcy in 2008, Escobar dissolved Select Real Estate Corporation and attended, but did not complete, law school, from 2008 to 2010. He then formed LAAC in order to work as a real estate broker; he obtained a corporate license for LAAC and licensed the fictitious name Select Real Estate. He also obtained a license for the fictitious business name Los Angeles Construction Services, through which he refurbished foreclosed properties and readied them for sale.

21. At the hearing, Escobar contritely acknowledged that "it was a big mistake" to write the January 6, 2012, letter to Erick A. Escobar repeatedly apologized, testifying that the letter was ego-driven and immature, that the tone of the letter was self-righteous and insulting, that facts in the letter were inaccurate and confusing, and that he had no business trying to collect money for Tavakoli or threatening to report Erick A. to his lender. He testified that he is sure the letter made Erick A. uneasy and that it is now making many people's lives difficult and jeopardizing the happiness of his wife and children and the livelihoods of his agents. Escobar testified that this experience has taught him humility and that he should respect his clients and serve them unselfishly. Since June 2011, there have been no attorneys working from Escobar's offices. Tavakoli left Escobar's office after less than one year; he was succeeded by another attorney, who also left within a year. Escobar employs a new team of real estate salespersons and support staff who were not involved in the Erick A. transaction and did not work with Tavakoli. His business does not involve short sale transactions. He has put procedures in place to ensure that LAAC's recordkeeping and business practices remain compliant with real estate statutes and regulations.

22. Escobar testified that, if his license and that of LAAC are revoked, it will create extreme economic hardship for him and his family, as well as for the professionals who work in his office and for whom he generates sales leads and income, and for their clients.

23. Several character witnesses testified on behalf of respondent Escobar, as described below.

24. Samuel Luna, Jr., a loan officer and a mortgage professional for over 12 years, serves with respondent on the volunteer board of the Los Angeles chapter of the Veterans' Association of Real Estate Professionals (VAREP), a not-for-profit organization that promotes home ownership for veterans nationwide through outreach and education. Luna testified that respondent plans monthly educational presentations to educate realtors and veterans about home ownership and Veterans Administration loans. Luna wrote a reference letter for Escobar and testified that he has known Escobar for one year, and that Escobar has a strong sense of duty and a great deal of integrity and is generous with his time.

25. Jeanette Gonzalez Aguilar, director of retail operations for a residential telephone and internet service provider, testified that she worked for Escobar for two years about 15 years ago and worked with him at Select Real Estate in 2006. She has maintained a personal and professional relationship with him. Escobar handled two real estate transactions for Aguilar, a residence purchases in 2007 and a short sale of the same property in 2014. Escobar handled the transactions professionally and helped her through a stressful time, and she has referred friends and employees to him. She has not seen the Accusation in this case.

26. Susana Salcido, a real estate salesperson for nine years whose license has never been disciplined, testified that she has worked for respondent at Century 21 Select since August 2013. She testified that Escobar has created a company with "a culture of professionalism,

experience, and customer service” and with high standards and values, and that clients happily refer their friends and family to them. Escobar showed her the Accusation and apologized to her for the risk he has created to her career with him.

27. Mark Schwartz, a mortgage banker and bank loan officer, has known Escobar since 2003. Schwartz owned his own mortgage company and helped Escobar learn that business; he has continued to refer business to Escobar since Escobar became a real estate broker. He testified, and wrote in a character reference letter, that, despite the charges in the Accusation, which he has read, he believes Escobar has integrity, is ethical and of good character, and has a passion for helping his real estate clients.

28. Maria Provenzano, a real estate salesperson, works for respondent at Century 21 Select. She also serves with respondent on the board of a local chapter of the National Association of Hispanic Real Estate Professionals, which helps to promote Hispanic home ownership. Provenzano wrote and testified that respondent is a great team leader who sees it as a duty to help the community; he has been named one of the top 250 Latino real estate agents in the country, and he has created an office culture that is friendly and supportive of people achieving home ownership. She attributes her successful business to respondent, and testified that she has not heard of any complaints against him or clients who are unhappy with the work Century 21 Select does. The allegations in the Accusation do not affect her desire to remain affiliated with Escobar, who she finds to be a person of integrity who is extremely dedicated to his family, his work, and the community. She testified that if Escobar’s license is revoked, it would negatively affect her financially.

29. Escobar also submitted character reference letters from former clients and colleagues. They all attest to Escobar’s professionalism, the high quality of his work, his integrity, and his dedication and passion.

Costs of Investigation and Enforcement

30. Complainant has requested reimbursement of the Bureau’s costs of investigation, in the amount of \$3,904.50, and prosecution, in the amount of \$5,490.14, for a total of \$9,394.64. The Bureau’s investigation costs are supported by a declaration dated January 30, 2015, made by Dionne Faulk, a supervising special investigator for the Bureau, with an attachment that describes the work performed and time spent by the Bureau’s supervising special investigators, program technician, and special investigators, and their hourly rates. The costs of enforcement are supported by a declaration dated January 29, 2015, and a supplemental declaration dated March 4, 2015, by the Bureau counsel assigned to this case, with attachments describing the tasks performed, the time spent on each task, and the attorney’s hourly rate, as well as travel expenses for complainant’s witnesses.

31. The Bureau established all of the statutory and regulatory violations alleged against respondents, as well as charges of negligence and failure to supervise and ensure compliance. The total costs of \$9,394.64, comprising investigation costs in the amount of \$3,904.50 and prosecution costs in the amount of \$5,490.14, are deemed to be reasonable.

LEGAL CONCLUSIONS

1. Complainant bears the burden of proof. (*Parker v. City of Fountain Valley* (1981) 127 Cal.App.3d 99; *Pipkin v. Bd. of Supervisors* (1978) 82 Cal.App.3d 652.) The standard of proof is clear and convincing evidence to a reasonable certainty. (*Ettinger v. Bd. of Medical Quality Assurance* (1982) 135 Cal.App.3d 853.) Clear and convincing evidence means evidence "so clear as to leave no substantial doubt" and "sufficiently strong to command the unhesitating assent of every reasonable mind." (*Mathieu v. Norrell Corp.* (2004) 115 Cal.App.4th 1174, 1190 (citing *Mock v. Michigan Millers Mutual Ins. Co.* (1992) 4 Cal.App.4th 306, 332-333).)

2. Cause exists to suspend or revoke the licenses and licensing rights of respondents LAAC and Escobar under Code sections 10176, subdivisions (a), (g), (i), and (j), and 10177, subdivisions (d), (g), and (h), on the grounds set forth in Factual Findings 5, 6, and 9 through 17.

3. Cause exists to suspend or revoke the licenses and licensing rights of respondents LAAC and Escobar under Code sections 10177, subdivisions (d), (g), and (h), for violations of CCR, title 10, sections 2726, 2752, and 2905, and Code sections 10130, 10137, 10147.5, 10159.5, and 10176, subdivision (f), on the grounds set forth in Factual Findings 7, 8, and 18.

4. As the officer designated by respondent LAAC under Code section 10211, Escobar was responsible for the supervision and control of the activities conducted on behalf of LAAC by its officers and employees as necessary to secure full compliance with Real Estate Law as set forth in section 10159.2.

5. The Bureau established that respondents violated several statutory and regulatory requirements and that Escobar made deliberate misrepresentations to a client and did not make required disclosures to the client's lender. (Factual Findings 5, 6, & 9-17.) Escobar has, however, corrected his business practices. He has hired new personnel, he has instituted new policies and procedures, and he no longer has an attorney working for his clients within his business office. He has a stable family life and family responsibilities. He presented credible testimony and documentary evidence from clients, colleagues, and employees attesting to his good-character and sound business procedures, and he credibly testified that he is remorseful about his past acts and the damage he has caused. (Factual Findings 19-29.) Escobar established mitigation and rehabilitation to a degree sufficient to provide reasonable assurance that the public's safety and welfare will be safeguarded by issuing Escobar a restricted broker's license, and by permitting him to continue as designated officer of LAAC.

Costs

6. Complainant requests reimbursement of the costs of investigation and enforcement under Code section 10106. Section 10106 provides that in any order issued in resolution of a disciplinary proceeding, the commissioner may ask the administrative law judge to direct a licensee found to have committed a violation to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case. Section 10106 states that a

certified copy of the actual costs, signed by the commissioner or the commissioner's designated representative, shall be prima facie evidence of reasonable costs of investigation and enforcement.

7. California Code of Regulations, title 1, section 1042, describes the procedures for submitting a request for reimbursement of the costs of investigation and enforcement. Section 1042 requires that, except as otherwise provided by law, costs are to be supported by a declaration containing specific facts to support findings regarding actual costs incurred and the reasonableness of the costs. A declaration is defined as a statement under penalty of perjury. (Cal. Code Regs., tit. 1, § 1002, subd. (a)(4).)

8. The costs of investigation and enforcement in the amount of \$9,394.64 are supported by declarations and are reasonable. (Factual Findings 30-31.)

9. In *Zuckerman v. State Board of Chiropractic Examiners* (2002) 29 Cal.4th 32, 45, the Supreme Court enumerated several factors that a licensing agency must consider in assessing costs. It must not assess the full costs of investigation and enforcement when to do so would unfairly penalize a respondent who has committed some misconduct, but who has used the hearing process to obtain the dismissal of some charges or a reduction in the severity of the penalty. The agency must also consider a respondent's subjective good faith belief in the merits of his or her position and whether the respondent has raised a colorable challenge to the discipline or is unable to pay. Respondent Escobar's ability to pay the reasonable costs of investigation and enforcement was not established at hearing; the Bureau shall consider his ability to pay and, if appropriate, allow him to pay in installments.

ORDER

All licenses and licensing rights of respondents Ronald O. Escobar under the Real Estate Law are revoked; provided, however, a restricted real estate broker license shall be issued to respondent Escobar under section 10156.5 of the Business and Professions Code if respondent makes application therefor and pays to the Bureau of Real Estate the appropriate fee for the restricted license within 90 days from the effective date of this Decision.

License Restrictions

The restricted license issued to respondent Escobar shall be subject to all of the provisions of section 10156.7 of the Business and Professions Code and to the following limitations, conditions and restrictions imposed under authority of section 10156.6 of that Code:

The restricted license issued to respondent Escobar may be further suspended prior to hearing by Order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that respondent Escobar has violated provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of the Real Estate Commissioner or conditions attaching to the restricted license.

Respondent Escobar shall not be eligible to apply for the issuance of an unrestricted real estate license nor for the removal of any of the conditions, limitations, or restrictions of a restricted license until two years have elapsed from the effective date of this Decision.

Respondent Escobar shall, within nine months from the effective date of this Decision, present evidence satisfactory to the Real Estate Commissioner that respondent Escobar has, since the most recent issuance of an original or renewal real estate license, taken and successfully completed the continuing education requirements of Article 2.5 of Chapter 3 of the Real Estate Law for renewal of a real estate license. If respondent Escobar fails to satisfy this condition, the Commissioner may order the suspension of the restricted license until respondent Escobar presents such evidence. The Commissioner shall afford respondent Escobar the opportunity for a hearing pursuant to the Administrative Procedure Act to present such evidence.

Professional Responsibility Examination

Respondent Escobar shall, within six months from the effective date of this Decision, take and pass the Professional Responsibility Examination administered by the Department including the payment of the appropriate examination fee. If respondent Escobar fails to satisfy this condition, the Commissioner may order suspension of respondent Escobar's license until respondent Escobar passes the examination.

Reporting

Respondent shall report in writing to the Bureau of Real Estate as the Real Estate Commissioner shall direct by his Decision herein or by separate written order issued while the restricted license is in effect such information concerning respondent's activities for which a real estate license is required as the Commissioner shall deem to be appropriate to protect the public interest. Such reports may include, but shall not be limited to, periodic independent accountings of trust funds in the custody and control of respondent and periodic summaries of salient information concerning each real estate transaction in which the respondent engaged during the period covered by the report.

Costs

Respondent Escobar shall pay the Bureau \$9,394.64 in costs, in accordance with a payment plan acceptable to the Bureau.

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Licensing Rights of Los Angeles Apartment Corporation

All license and licensing rights of respondent Los Angeles Apartment Corporation are not revoked and shall remain in effect. Respondent Escobar may continue to act in the capacity of designated officer of Los Angeles Apartment Corporation.

DATED: April 8, 2015



HOWARD W. COHEN
Administrative Law Judge
Office of Administrative Hearings