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DEPT. OF REAL ESTATE  
*Angel Ramos*

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8 BEFORE THE DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

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11 In the Matter of the Accusation against  
12 LAURA CHRISTINA PRECIADO,  
13 Respondent.

DRE No. H-41332 LA  
OAH No. 2019050289

THIRD AMENDED ACCUSATION

14

15 This Third Amended Accusation incorporates and amends the First Amended Accusation  
16 filed on September 25, 2019. Complainant, Maria Suarez, a Supervising Special Investigator for  
17 the Department of Real Estate<sup>1</sup> ("Department") of the State of California, for cause of this  
18 Accusation against LAURA CHRISTINA PRECIADO, aka Laura Christina Benavides  
19 ("Respondent"), is informed and alleges as follows:

20 1. The Complainant, Maria Suarez, a Supervising Special Investigator of the State of  
21 California, makes this Accusation in her official capacity.

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24 <sup>1</sup> Between July 1, 2013 and July 1, 2018, the Department of Real Estate operated as the Bureau of Real Estate under the Department of Consumer Affairs.

1           2.       All references to the "Code" are to the California Business and Professions Code  
2 and all references to "Regulations" are to the Regulations of the Real Estate Commissioner, Title  
3 10, Chapter 6, California Code of Regulations.

4           3.       Respondent is presently licensed and/or has license rights under the Real Estate  
5 Law (Part 1 of Division 4 of the California Business and Professions Code).

6           4.       On March 17, 2014, the Department issued a real estate broker license, License  
7 ID 01473934. Respondent was previously licensed as a real estate salesperson from February 8,  
8 2005 through March 16, 2014.

9           5.       Respondent has a Mortgage Loan Originator ("MLO") license endorsement  
10 number, Nationwide Multistate Licensing System ("NMLS") ID No. 1284959. Respondent has  
11 a Company MLO License Endorsement, NMLS 1696087.

12          6.       Respondent is currently not licensed by the Department to do business as under  
13 any fictitious business names.

14          7.       At all times mentioned herein, Respondent was doing business under several  
15 unlicensed fictitious business names including, but not limited to, AE Real Estate, Inc., AE  
16 Management, AE Mortgage, AE Builder, LLC, AE Builder Escrow, Adept Builder, LLC, Asset  
17 Management Company, and AE Mgmt Sales and Acquisitions.

18          8.       At all times mentioned herein, in the State of California, Respondent engaged in  
19 the business of, acted in the capacity of, and assumed to act as real estate licensee within the  
20 meaning of Code Section 10131, including the sale of real property, property management, and  
21 soliciting or offering to conduct broker-controlled escrows.

22          9.       Whenever reference is made in an allegation in this Accusation to an act or  
23 omission of Respondent, such allegation shall be deemed to include the officers, directors,  
24 employees, agents, independent contractors, co-conspirators, and/or real estate licensees

1 employed by or associated with Respondent, who committed such acts or omissions while  
2 engaged in the furtherance of the business or operations of the respondent and while acting  
3 within the course and scope of their authority and employment. Said individuals include, but are  
4 not limited to, Manuel Preciado, Sandra Preciado, Yanet Galindo, Corrina Renee Benavides,  
5 Elizabeth Larson, John Christopher Larson, Raul Ray Castaneda III, Monica Nuques, Gina  
6 Pesquera, and Norma Pedroza.

7 SUMMARY OF FACTS

8 10. During the prior three year period, Respondent devised a scheme to defraud  
9 others by collecting earnest money deposits ("EMDS") from prospective purchasers of real  
10 property and converting said trust funds for Respondent's own use, gain, or benefit.

11 11. As part of the scheme, Respondent solicited the sale of real properties located in  
12 California to prospective purchasers through listings on various platforms including, but not  
13 limited to, Multiple Listing Service ("MLS").

14 12. Respondent listed properties for which Respondent had not obtained a valid  
15 listing agreement or received authorization to list the properties from the properties' owners or  
16 agents. Respondent claimed that the properties were unavailable for interior inspection or  
17 viewing for various alleged reasons.

18 13. Respondent accepted multiple offers from different buyers for the same property.  
19 Respondent induced buyers to submit EMDS to unlicensed escrow companies owned and  
20 controlled by Respondent. Respondent induced and instructed the buyers to wire or deliver their  
21 EMDS to bank accounts controlled by Respondent.

22 14. Respondent misrepresented her unlicensed companies as non-independent broker  
23 escrow companies and misled buyers into believing that the buyers' EMDS would be held in  
24 trust by Respondent's escrow companies. Respondent collected multiple EMDS from different

1 buyers for the same property, then commingled and converted the trust funds for Respondent's  
2 own use or gain.

3 15. Respondent would provide excuses when buyers questioned the delay in their  
4 transactions. The buyers eventually asked to cancel the transactions and requested a refund of  
5 their EMDS. Respondent failed to return some EMDS to buyers in a timely manner or failed  
6 altogether to return any of the EMDS owed to some buyers.

7 16. Respondent used new EMDS and property management trust funds to refund  
8 monies owed to earlier buyers and property management clients. During the period of January 1,  
9 2016 through January 31, 2018, Respondent collected an estimated minimum of \$1,050,810 in  
10 EMDS from at least 158 buyers for the purchase of approximately 23 properties that were listed  
11 by Respondent. As of January 31, 2018, Respondent had only refunded \$643,215 of EMDS/  
12 trust funds back to the buyers.

13 Audits LA 170132 and LA 170168

14 17. On or about December 31, 2018, the Department completed audit examinations of  
15 the books and records of Respondent's real estate sales and property management activities  
16 which require a real estate broker license pursuant to Code section 10131. Audit No. LA 170132  
17 covered Respondent's real estate sales activities. Audit No. LA 170168 covered Respondent's  
18 property management activities. The audit examinations covered a period of time from  
19 January 1, 2016 through January 31, 2018 ("audit period"). The audit examinations revealed  
20 violations of the Code and the Regulations as set forth in the following paragraphs, and more  
21 fully discussed in Audit Report No. LA 170132 & LA 170168 and the exhibits and work papers  
22 attached to said audit report.

23 18. An entrance conference was held with Respondent on February 8, 2018. The  
24 Department issued a subpoena duces tecum for Respondent's books and records related to

1 Respondent's real estate sales and property management activities. The Department's auditor  
2 did not receive some of Respondent's records that were requested for the audit examination.

3 19. According to Respondent and an examination of records, Respondent maintained  
4 the following bank accounts for Respondent's real estate broker activities during the audit  
5 period:

6 20. Bank Account #1 (B/A 1)

7 Account #: xxxx0253  
8 Bank: Bank of America  
9 Account Name: Adept Builder LLC DBA AE Builder Escrow

10 21. Bank Account #2 (B/A 2)

11 Account #: xxxxx6111  
12 Bank: Wells Fargo Bank  
13 Account Name: Adept Builder LLC

14 22. Bank Account #3 (B/A 3)

15 Account #: xxxxx4119  
16 Bank: Bank of America  
17 Account Name: LCP [Laura Christina Preciado] Living Trust

18 23. Bank Account #4 (B/A 4)

19 Account #: xxxxx0892  
20 Bank: Bank of America  
21 Account Name: Adept Builder LLC

22 24. Bank Account #5 (B/A 5)

23 Account #: xxxxx6129  
24 Bank: Wells Fargo Bank  
Account Name: Adept Builder LLC

25. General Account #1 (G/A 1)

Account #: xxxxx0240  
Bank: Bank of America  
Account Name: Adept Builder LLC DBA AE Builder

26. General Account #2 (G/A 2)

Account #: xxxxx7192  
Bank: Bank of America  
Account Name: LCP Living Trust Laura C. Preciado Trtee John  
Christopher Larson Trtee

1        27.    General Account #3 (G/A 3)

2            Account #:            xxxxx6103  
3            Bank:                Wells Fargo Bank  
4            Account Name:        Adept Builder LLC

5        28.    General Account #4 (G/A 4)

6            Account #:            xxxxx0562  
7            Bank:                Wells Fargo Bank  
8            Account Name:        Adept Builder LLC

9        29.    General Account #5 (G/A 5)

10           Account #:            xxxxx5818  
11           Bank:                Wells Fargo Bank  
12           Account Name:        OCG Enterprises, Inc.

13        Additional bank accounts

14        30.    Based on an examination of records subpoenaed from Bank of America, the  
15        Department's auditor identified an additional four (4) bank accounts (A/C #0986, A/C #7209,  
16        A/C #3440, and A/C # 8239) that Respondent maintained during the audit period. Respondent  
17        failed to provide bank statements or full bank account numbers to the Department's auditor.  
18        Respondent claimed that A/C #8239 belonged to Respondent's son and Respondent would  
19        occasionally transfer money into A/C #8239.

20        31.    In addition, Respondent opened at least two new bank accounts (A/C #3561 and  
21        A/C #5090, Respondent's "Account Project MGMT" account). According to Respondent, A/C  
22        #3561 was used for property management fees earned and A/C #5090 was used to collect  
23        "investor" trust funds.

24        32.    Based on the auditor's examination of the bank statements received from  
25        Respondent, Respondent collected approximately \$357,500 of additional trust funds after the  
26        auditor's cutoff date of January 31, 2018, for A/C #5090.

27        33.    Respondent stated that "the accounts are new and not from the audit period. The  
28        Escrow Division is still work in progress, and until [I] straiten [sic] out my files, [I] will not open

1 new escrows. [I] want to close all the current transactions first.” Based on the examination of  
2 bank statements, the majority of funds collected for A/C #5090 were immediately transferred to  
3 B/A 5.

4 34. Based on an examination of bank records, funds collected and deposited into  
5 A/C #5090 were transferred into G/A 4 and B/A 5 to reimburse EMDS that Respondent collected  
6 from earlier buyers.

7 35. Respondent made refunds to buyers from the new, additional trust funds that  
8 Respondent collected after the audit cutoff date of January 31, 2018.

9 36. Due to the limited records provided by Respondent, the Department’s auditor was  
10 unable to verify where the source of funds came from to cure the trust fund shortages discussed  
11 further below.

12 37. Based on complaints that the Department received from victims, Respondent  
13 continued to collect EMDS after the audit cut-off period.

14 38. Based on complaints that the Department received from victims, Respondent also  
15 instructed buyers to wire EMDS to two additional accounts whose records were not provided to  
16 the Department’s auditor:

17 Account #: xxxxx1387  
18 Bank: JP Morgan Chase  
19 Account Name: Laura Preciado / AE Management and Sales

20 Account #: xxxxx9918  
21 Bank: JP Morgan Chase  
22 Account Name: AE Real Estate, Inc. / AE Trust

23 Audits LA 170132 & 170168 - Violations

24 39. In the course of Respondent’s real estate sales and property management activities  
during the audit examination period of January 1, 2016 through January 31, 2018, Respondent  
acted in violation of the Code and the Regulations as follows:

1 Issue One (1). Code section 10145 and Regulation 2832.1 / Trust fund for multiple beneficiaries.

2 40. The Department's auditor prepared a combined minimum bank reconciliation for  
3 B/A 1 and B/A 2 as of January 31, 2018. The combined minimum adjusted bank balance was  
4 compared to the combined minimum accountability. As of January 31, 2018, there was a  
5 combined minimum trust fund shortage of <\$407,741.29> in B/A 1 and B/A 2. Respondent  
6 failed to provide any evidence that the owners of the trust funds had given their written consent  
7 to allow Respondent to reduce the balance of the funds in B/A 1 and B/A 2 to an amount less  
8 than the existing aggregate trust fund liabilities, in violation of Code section 10145 and  
9 Regulation and 2832.1.

10 41. The causes for the trust fund shortage include, without limitation, the following:

<u>Cause</u>	<u>Amount</u>
1. Negative EMD balances	<\$5,150.00>
12 2. Minimum bank charges in B/A 2	<\$2,696.50>
13 3. Minimum unauthorized disbursements in B/A 2/Conversion of trust funds	<\$27,457.74>
14 4. Minimum unauthorized disbursements in B/A 5/Conversion of trust funds	<\$277,223.00>
15 5. Minimum unauthorized disbursements in B/A 4/Conversion of trust funds	<\$95,214.50>
<b>Combined Minimum Trust Fund Shortage as of 1/31/2018</b>	<b>&lt;\$407,741.29&gt;</b>

16  
17 Issue One (1). Code section 10145 and Regulation 2832.1 / Trust fund for multiple beneficiaries.

18 42. As of March 31, 2017, there was a combined minimum trust fund shortage of  
19 <\$266,925.00> in B/A 1 and B/A 2. Respondent failed to provide any evidence that the owners  
20 of the trust funds had given their written consent to allow Respondent to reduce the balance of  
21 the funds in B/A 1 and B/A 2 to an amount less than the existing aggregate trust fund liabilities,  
22 in violation of Code section 10145 and Regulation and 2832.1.



1           43.    The causes for the trust fund shortage include, without limitation, the following:

<u>Cause</u>	<u>Amount</u>
1. Negative EMD balances	<\$150.00>
2. Minimum bank charges in B/A 1	<\$1,581.00>
3. Minimum unauthorized disbursements/Conversion of trust funds in B/A 1	<\$12,128.62>
4. Minimum unauthorized disbursements to G/A 1 / Conversion of trust funds	<\$33,867.12>
5. Minimum unauthorized disbursements to B/A 4 / Conversion of trust funds	<\$124,520.26>
6. Minimum unauthorized disbursements to B/A 3 / Conversion of trust funds	<\$4,335.00>
7. Minimum unauthorized disbursements to G/A 2 / Conversion of trust funds, Check 1026	<\$4,500.00>
8. Minimum unidentified shortage	<\$85,843.00>
<b>Combined Minimum Trust Fund Shortage as of 3/31/2017</b>	<b>&lt;\$266,925.00&gt;</b>

11 Issue One (1). Code section 10145 and Regulation 2832.1 / Trust fund for multiple beneficiaries.

12           44.    As of January 31, 2018, based on the Department's reconstructed records that  
13 were provided to the auditor, there was a combined minimum trust fund shortage of  
14 <\$161,992.61> in B/A 3, B/A 5, G/A 1, G/A 2, G/A 3 and G/A 4, which were used for handling  
15 of trust funds in connection with Respondent's property management activities. Respondent  
16 failed to provide any evidence that the owners of the trust funds had given their written consent  
17 to allow Respondent to reduce the balance of the funds in the afore-mentioned bank accounts to  
18 an amount less than the existing aggregate trust fund liabilities, in violation of Code section  
19 10145 and Regulation and 2832.1.

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1 45. The causes for the trust fund shortage include, without limitation, the following:

<u>Cause</u>	<u>Amount</u>
2 1. Negative property balances in B/A 5	<\$5,477.23>
3 2. Minimum bank charges for G/A 1	<\$179.00>
4 3. Minimum bank charges for G/A 2	<\$969.00>
5 4. Minimum bank charges for G/A 3	<\$1,030.50>
6 5. Minimum bank charges for G/A 4	<\$2,147.50>
7 6. Minimum bank charges for B/A 3	<\$2,064.00>
8 7. Minimum unauthorized disbursements in G/A 1 / Conversion of trust funds	<\$367.69>
9 8. Minimum unauthorized disbursements in G/A 2 / Conversion of trust funds	<\$8,231.31>
10 9. Minimum unauthorized disbursements in G/A 3 / Conversion of trust funds	<\$14,843.32>
11 10. Minimum unauthorized disbursements in G/A 4 / Conversion of trust funds	<\$97,866.00>
12 11. Minimum unauthorized disbursements in B/A 3 / Conversion of trust funds	<\$20,381.46>
13 12. Minimum unauthorized disbursements in B/A 5 / Conversion of trust funds / bank fees	<\$6,935.36>
14 13. Home Deport credit card in connection with B/A 5	<\$1,500.24>
<b>Combined Minimum Trust Fund Shortage as of 1/31/2018</b>	<b>&lt;\$161,992.61&gt;</b>

15 Issue One (1). Code section 10145 and Regulation 2832.1 / Trust fund for multiple beneficiaries.

16 46. As of March 31, 2017, based on Respondent's records that were provided to the  
17 auditor, there was a combined minimum trust fund shortage of <\$18,182.89> in B/A 3, B/A 4,  
18 B/A 5, G/A 1, G/A 2, G/A 3 and G/A 4, which were used for handling of trust funds in  
19 connection with Respondent's property management activities. Respondent failed to provide any  
20 evidence that the owners of the trust funds had given their written consent to allow Respondent  
21 to reduce the balance of the funds in the afore-mentioned bank accounts to an amount less than  
22 the existing aggregate trust fund liabilities, in violation of Code section 10145 and Regulation  
23 and 2832.1.  
24

1 47. The causes for the trust fund shortage include, without limitation, the following:

<u>Cause</u>	<u>Amount</u>
2 1. Negative property balances	<\$2,506.83>
3 2. Minimum unauthorized disbursements / Conversion of trust funds in B/A 4	<\$7,721.03>
4 3. Minimum unauthorized disbursements / Conversion of trust funds in G/A 1	<\$7,955.03>
5 <b>Combined Minimum Trust Fund Shortage as of 3/31/2017</b>	<b>&lt;\$18,182.89&gt;</b>

6 Issue Three (3)<sup>2</sup>. Code section 10145 and Regulation 2831. / Trust fund records to be  
7 maintained.

8 48. During the audit period, Respondent failed to maintain an accurate and complete  
9 record of trust funds received and disbursed (control record) for B/A 1, B/A 2, B/A 3, B/A 4,  
10 B/A 5, G/A 1, G/A 2, G/A 3, G/A 4, and G/A 5, in violation of Code section 10145 and  
11 Regulation 2831. Respondent collected a minimum of \$1,050,810 in EMDS from buyers for the  
12 purchase of properties between January 1, 2017 and January 31, 2018, based on the  
13 Department's auditor's reconstructed separate records for Respondent's real estate sales  
14 activities and examination of the subpoenaed bank records for Respondent's bank accounts for  
15 real estate sales trust funds (B/A 1 and B/A 2), property management trust funds (B/A 3,  
16 B/A 4, and B/A 5), and Respondent's general operating accounts (G/A 1, G/A 2, G/A 3, G/A 4,  
17 and G/A 5).

18  
19 B/A 1 and B/A 2 (LA 170132)

20 49. During the audit period, Respondent failed to maintain control records for the  
21 receipts and disbursements of EMD trust funds collected from buyers for the purchase of real  
22 properties and handling through B/A 1 and B/A 2, in connection with Respondent's real estate  
23

24  
<sup>2</sup> Issue Two (2) was skipped intentionally, see Paragraph 94, below.

1 sales activities. Respondent failed to maintain control records for B/A 1 from 1/1/2016 to  
2 3/31/2017 and for B/A 2 from 4/1/2017 to 1/31/2018.

3 50. During the audit period, Respondent did not maintain a control record for all  
4 transfers made between Respondent's property management bank accounts (B/A 3, B/A 4, and  
5 B/A 5), real estate sales bank accounts (B/A 1 and B/A 2), and Respondent's general operating  
6 accounts (G/A 1, G/A 2, G/A 3, G/A 4, and G/A 5).

7 B/A 3, B/A 4 and B/A 5 (LA 170168)

8 51. During the audit period, based on Respondent's records that were provided to the  
9 auditor, Respondent failed to maintain accurate and complete control records for the receipts and  
10 disbursements of trust funds for B/A 3, B/A 4, and B/A 5, in connection with Respondent's  
11 property management activities. Based on the control records provided by Respondent, the  
12 records did not include the date of funds received, some disbursements were not recorded, and  
13 Respondent recorded inaccurate dates and disbursement amounts. In addition, Respondent did  
14 not maintain control records for trust funds deposited and/or disbursed through G/A 1, G/A 2,  
15 G/A 3, and G/A 4.

16 Issue Four (4). Code section 10145 and Regulation 2831.1 / Separate records for each  
17 beneficiary or transaction

18 52. During the audit period, Respondent failed to maintain separate records for each  
19 beneficiary or transaction (separate records) for B/A 1, B/A 2, B/A 3, B/A 4, B/A 5, G/A 1, G/A 2,  
20 G/A 3, G/A 4, and G/A 5, in violation of Code section 10145 and Regulation 2831.1.

21 53. Respondent failed to maintain the separate records for the receipts and  
22 disbursements of EMD trust funds collected from buyers for the purchase of properties and  
23 handled through B/A 1 and B/A 2, in connection with Respondent's real estate sales activities.  
24 Respondent failed to maintain separate records indicating online transfers between Respondent's

1 trust fund bank accounts (B/A 1 and B/A 2) to Respondent's property management trust fund  
2 bank accounts (B/A 3, B/A 4, and B/A 5) and Respondent's general operating accounts (G/A 1,  
3 G/A 2, G/A 3, G/A 4, and G/A 5).

4 54. Respondent failed to maintain accurate and complete separate records for the  
5 receipts and disbursements of trust funds for B/A 3, B/A 4, and B/A 5, in connection with  
6 Respondent's property management activities. The separate records provided by Respondent  
7 failed to include the date trust funds were deposited and some of the receipts, deposits, and  
8 disbursements were not recorded. In addition, Respondent failed to maintain separate records  
9 indicating online transfers from Respondent's property management trust fund bank accounts  
10 (B/A 3, B/A 4, and B/A 5) to Respondent's real estate sales trust fund bank accounts (B/A 1 and  
11 B/A 2) and to Respondent's general operating accounts (G/A 1, G/A 2, G/A 3, G/A 4, and G/A  
12 5).

13 Issue Five (5). Code section 10145 and Regulation 2831.2 / Trust account reconciliation

14 55. During the audit period, Respondent failed to perform or maintain accurate  
15 monthly reconciliations comparing the balance of all separate beneficiary or transaction records  
16 (separate records) to the balance of all trust funds received and disbursed (control record) for  
17 B/A 1, B/A 2, B/A 3, B/A 4, B/A 5, G/A 1, G/A 2, G/A 3, G/A 4, and G/A 5, in violation of  
18 Code section 10145 and Regulation 2831.2. Moreover, Respondent did not provide monthly  
19 reconciliation records during the audit examination.

20 Issue Six (6). Code section 10145 and Regulation 2832 / Trust fund handling

21 56. During the audit period, Respondent used B/A 1, B/A 2, B/A 3, B/A 4, B/A 5,  
22 G/A 1, G/A 2, G/A 3, G/A 4, and G/A 5 for receipt and disbursement of trust funds. The afore-  
23 mentioned bank accounts were not designated as trust accounts in Respondent's name or  
24

1 Respondent's then-licensed fictitious business names, as trustee, in violation of Code section  
2 10145 and Regulation 2832.

3 57. Instead, the afore-mentioned bank accounts were named as follows: B/A 1 was in  
4 the name of "Adept Builder LLC DBA AE Builder Escrow"; B/A 2 was in the name of "Adept  
5 Builder LLC"; B/A 3 was in the name of "LCP Living Trust"; B/A 4 was in the name of "Adept  
6 Builder LLC"; B/A 5 was in the name of "Adept Builder LLC"; G/A 1 was in the name of  
7 "Adept Builder LLC DBA AE Builder"; G/A 2 was in the name of "LCP Living Trust Laura C  
8 Preciado Trtee John Christopher Larson Trtee 4/26/2016"; G/A 3 and G/A 4 were in the name of  
9 "Adept Builder LLC"; and G/A 5 was in the name of "OCG Enterprises Inc."

10 58. EMDS and property management rent receipts collected by Respondent were  
11 sometimes deposited into Respondent's general operating accounts (G/A 1, G/A 2, G/A 3,  
12 G/A 4, and G/A 5) and commingled with Respondent's operating funds. During the audit  
13 examination, Respondent only provided the bank signature cards for B/A 2, B/A 5, G/A 3, G/A  
14 4, and G/A 5.

15 Issue Seven (7). Code section 10145 and Regulation 2834. / Trust account withdrawals

16 59. During the audit period trust funds collected in connection with Respondent's real  
17 estate sales and property management activities were deposited and handled through  
18 Respondent's general operating accounts (G/A 1, G/A 2, G/A 3, G/A 4, and G/A 5) and  
19 commingled with Respondent's operating funds, in violation of Code section 10145 and  
20 Regulation 2834.

21 60. Based on the bank signature card for G/A 2 provided by Bank of America, John  
22 Christopher Larson, Respondent's partner/non-licensee, was authorized as a signor on G/A 2  
23 during the audit period.

24

1           61.     Elizabeth Larson sent emails and communications to prospective buyers on behalf  
2 of the “Escrow Division” of Adept Builder LLC Asset Management Co.”

3 Issue Eight (8). Code sections 10145, 10176(e), and Regulation 2832 / Trust fund handling/  
4 Commingling – Trust funds in Respondent’s personal accounts

5           62.     During the audit period, EMD and property management rent receipts collected  
6 by Respondent were sometimes deposited into Respondent’s general operating accounts (G/A 1,  
7 G/A 2, G/A 3, G/A 4, and G/A 5) and commingled with Respondent’s operating funds in  
8 Respondent’s general operating accounts, in violation of Code sections 10145 and 10176(e) and  
9 Regulation 2832.

10          63.     During the audit period, Respondent commingled her personal funds into B/A 3,  
11 B/A 4, and B/A 5. During the course of the audit examination, the Department’s auditor  
12 requested from Respondent a running balance of personal funds held in Respondent’s bank  
13 accounts for B/A 3, B/A 4, and B/A 5, and for Respondent’s general operating accounts (G/A 1,  
14 G/A 2, G/A 3, G/A 4, and G/A 5). Respondent did not provide the auditor with a list and the  
15 auditor could not determine whether Respondent removed her personal funds in Respondent’s  
16 property management accounts (B/A 3, B/A 4, and B/A 5) and Respondent’s general operating  
17 accounts (G/A 1, G/A 2, G/A 3, G/A 4, and G/A 5).

18          64.     During the audit period, Respondent shared a rental property with Corrina  
19 Benavides (Benavides), and Yanet Galindo (Galindo). Based on examination of bank records for  
20 B/A 3, Respondent paid her personal rent, in addition to Benavides’ and Galindo’s portions of  
21 the rent with trust funds collected from B/A 3. According to Respondent, Galindo issued  
22 personal checks payable to Respondent, “AE Builder” or “Adept Builder” to reimburse  
23 Respondent for Galindo’s portion of the rent. Respondent commingled personal funds with trust  
24



1 funds collected for Respondent's real estate sales and property management activities in B/A 4,  
2 B/A 5, G/A 1, G/A 2, G/A 3, G/A 4, and G/A 5.

3 65. During the audit period, Respondent also received reimbursement or personal  
4 funds from different companies and from the government which were commingled with trust  
5 funds collected for Respondent's property management activities in G/A , B/A 4, and B/A 5.

6 66. Examples of commingled funds include, but are not limited to, the following:

<u>Deposit Date</u>	<u>Account</u>	<u>Payee</u>	<u>Paid by</u>	<u>Memo</u>	<u>Amount</u>
5/6/2016	G/A 2	Respondent	Target Corp.		\$69.50
8/15/2016	B/A 4	Respondent	US Treasury	Tax refund	\$200.00
1/1/2018	B/A 5	Adept Builder LLC	State of CA		\$400.00

11  
12 67. During the audit period, Respondent received commission checks or funds from a  
13 minimum of three (3) escrow companies. Respondent deposited her personal funds in G/A 1,  
14 B/A 3, and B/A 4, which were commingled with trust funds in those accounts.

15 68. Examples of the commingled funds include, without limitation, the following:

<u>Deposit Date</u>	<u>Account</u>	<u>Payee</u>	<u>Paid by</u>	<u>Escrow no.</u>	<u>Amount</u>
2/7/2017	G/A 1	AE Builder	Embassy Escrow	1484-TG	\$15,000
5/9/2016	B/A 3	AE Builder LLC	Glen Oaks	127411-JI	\$5,077.50
5/31/2016	B/A 4	AE Builder	Keller Williams Realty Trust Account	1260-KDC	\$13,945



1 Issue Nine (9). Code sections 10145, 10176(i) or 10177(j) / Handling of trust funds/

2 Unauthorized disbursements / Dishonest Dealing/Conversion of Funds

3 69. During the audit period, Respondent made unauthorized disbursements and  
4 converted EMDS and property management trust funds that were deposited into B/A 1 and  
5 B/A 2. Furthermore, Respondent made unauthorized disbursements to G/A 1, G/A 2, G/A 3,  
6 G/A 4, G/A 5, B/A 3, B/A 4, and B/A 5 from B/A 1 and B/A 2, and converted trust funds. Said  
7 acts are in violation of Code sections 10145, 10176(i) or 10177(j).

8 B/A 1 & B/A 2- Bank accounts used for handling EMDS collected from buyers in connection  
9 with the purchase of properties (LA 170132)

10 70. Based on an examination of bank statements for B/A 1 and B/A 4, Respondent  
11 transferred EMD trust funds into B/A 4 for unauthorized property management disbursements  
12 and converted EMD funds for personal expenses from January 1, 2016 through March 31, 2017.  
13 An examination of the bank records for B/A 1 and B/A 2 showed that Respondent made  
14 unauthorized disbursements of EMD refunds owed to buyers from whom Respondent had  
15 collected EMD trust funds and deposited EMDS in B/A 1. Respondent paid the EMD refunds  
16 owed to earlier buyers with new EMD trust funds collected from new buyers whose EMDS were  
17 deposited into B/A 2.

18 71. Based on an examination of bank statements, the following list includes, without  
19 limitation, the minimum unauthorized disbursements of EMD trust funds deposited into B/A 1  
20 and B/A 2, which were used for Respondent's personal and business expenses:

- 21 • <\$27,457.74> minimum unauthorized disbursements/conversion of trust funds in  
22 B/A 2 as of January 31, 2018.
- 23 • <\$277,223.00> minimum unauthorized disbursements made from B/A 2 to B/A 5  
24 and conversion of trust funds in B/A 5 as of January 31, 2018.

- 1 • <\$95,214.05> minimum unauthorized disbursements made from B/A 1 to B/A 4  
2 and conversion of trust funds in B/A 4 as of January 31, 2018.
- 3 • <\$12,128.62> minimum unauthorized disbursements/conversion of trust funds in  
4 B/A 1 as of March 31, 2017.
- 5 • <\$33,867.12> minimum unauthorized disbursements made from B/A 1 to G/A 1  
6 and conversion of trust funds in G/A 1 as of March 31, 2017.
- 7 • <\$124,520.26> minimum unauthorized disbursements made from B/A 1 to B/A 4  
8 and conversion of trust funds in B/A 4 as of March 31, 2017.
- 9 • <\$4,335.00> minimum unauthorized disbursements made from B/A 1 to B/A 3  
10 and conversion of trust funds in B/A 3 as of March 31, 2017.

11 B/A 3, B/A 4, B/A 5, G/A 1, G/A 2, G/A 3, G/A 4, and G/A 5- Bank accounts and general  
12 operating accounts used for handling trust funds in connection with Respondent's property  
13 management receipts and disbursements (LA 170168)

14 72. Based on an examination of bank statements, Respondent made unauthorized  
15 disbursements from B/A 3, B/A 4, and B/A 5 with property management funds collected and  
16 deposited into B/A 1, B/A 2, G/A 1, G/A 2, G/A 3, G/A 4, and G/A 5. Respondent also  
17 transferred EMD trust funds from B/A 1 and B/A 2, and EMD and property management trust  
18 funds which were held in G/A 1, G/A 2, G/A 3, G/A 4, and G/A 5, into B/A 3, B/A 4, and B/A 5.  
19 Respondent converted the trust funds held in B/A 3, B/A 4, and B/A 5 for personal and business  
20 expenses.

21 73. Based on an examination of bank statements, the following list includes, without  
22 limitation, the minimum unauthorized disbursements of property management trust funds  
23 deposited into B/A 3, B/A 4, and B/A 5, which were used for Respondent's personal and  
24 business s expenses:

- <\$8,231.31> minimum unauthorized disbursements made from B/A 3 and B/A 5  
to G/A 2 and conversion of trust funds in G/A 2 as of January 31, 2018.

- 1 • <\$14,843.32> minimum unauthorized disbursements made from B/A 3 and B/A 5  
2 to G/A 4 and conversion of trust funds in G/A 4 as of January 31, 2018.
- 3 • <\$97,866.00> minimum unauthorized disbursements/conversion of trust funds in  
4 B/A 3 as of January 31, 2018.
- 5 • <\$6,935.36> minimum unauthorized disbursements/conversion of trust funds in  
6 B/A 5 as of January 31, 2018.
- 7 • <\$7,721.03> minimum unauthorized disbursements/conversion of trust funds in  
8 B/A 4 as of March 31, 2017.
- 9 • <\$7,955.03> minimum unauthorized disbursements made from B/A 4 to G/A 1  
10 and conversion of trust funds in G/A 1 as of March 31, 2017.

9 Conversion of trust funds in B/A 3

10 74. From March of 2016 through January of 2018, Respondent converted trust funds  
11 totaling a minimum of <\$156,280.76> by paying for her own personal expenses from B/A 3.  
12 Examples of Respondent's personal expenses paid from B/A 3 include, but are not limited to, the  
13 following:

- 14 • Payroll paid to Gina Pesquera and Mirella Kourly
- 15 • Payments for Respondent's personal rent
- 16 • Gas/market/restaurant/shopping/health expenses/cell phone/cable/credit card payments
- 17 • Loan payments to "LSW"

17 Conversion of trust funds in B/A 4

18 75. From January of 2016 through January of 2017, Respondent converted trust funds  
19 totaling a minimum of <\$283,626.01> by paying for her own personal expenses from B/A 4.  
20 Examples of Respondent's personal expenses paid from B/A 4 include, but are not limited to, the  
21 following:

- 22 • Payroll paid to Monica Nuques, Patricia Encinas, Mirella Kourly, and "Wells Fargo:  
23 Payroll"
- 24 • Payments for Respondent's personal rent
- Gas/market/restaurant/shopping/retail/entertainment/health expenses/credit card/cable  
payments

- Checks to Galindo
- Check to Manuel Preciado for \$28,251.27 (Check # 209 disbursed on 5/6/2016)
- Check to John Larson for \$57,257.00 (Check #254 disbursed on 6/8/2016)
- Cash withdrawals

#### Conversion of trust funds in B/A 5

76. From May of 2017 through September of 2017, Respondent converted trust funds by paying for her own personal expenses from B/A 5. Examples of Respondent's personal expenses paid from B/A 5 include, but are not limited to, the following:

- Payroll paid to Monica Nuques, Patricia Encinas, Raymond Raul Castaneda, and Benavides
- Gas/market/restaurant/shopping/retail/health expenses

#### Conversion of trust funds in G/A 1

77. From January of 2017 through December of 2017, Respondent converted trust funds totaling a minimum of <\$66,335.81> by paying for her own personal expenses from G/A 1. Examples of Respondent's personal expenses paid from G/A 1 include, but are not limited to, the following:

- Payroll paid to Monica Nuques, Patricia Encinas, Raymond Raul Castaneda, and Benavides
- Payments for Respondent's personal rent
- Gas/market/restaurant/shopping/retail/health expenses

#### Conversion of trust funds in G/A 2

78. From January of 2016 through January of 2018, Respondent converted trust funds totaling a minimum of <\$76,765.28> by paying for her own personal expenses from G/A 2. Examples of Respondent's personal expenses paid from G/A 2 include, but are not limited to, the following:

- Expenses for trip to Las Vegas, Nevada (hotel, shopping, entertainment, restaurants)
- Auto/gas/market/restaurant/shopping/retail/health expenses
- Payroll paid to Gina Pesquera
- Transfers to Respondent's other accounts

1 Conversion of trust funds in G/A 3

2 79. From March of 2017 through January of 2018, Respondent converted trust funds  
3 totaling a minimum of <\$35,044.79> by paying for her own personal expenses from  
4 G/A 3. Examples of Respondent's personal expenses paid from G/A 3 include, but are not  
5 limited to, the following:

- 6 • Expenses for trip to San Francisco, California (restaurants, entertainment)
- 7 • Cash withdrawals
- 8 • Market/restaurant/shopping/retail/health expenses
- 9 • Payroll paid to Monica Nuques, Raul Raymond Castaneda, Patricia Encinas and Benavides
- Business expenses (Staples, Appfolio)

10 Conversion of trust funds in G/A 4

11 80. From June of 2017 through July of 2017, Respondent converted trust funds  
12 totaling a minimum of <\$44,134.84> by paying for her own personal expenses from  
13 G/A 4. Examples of Respondent's personal expenses paid from G/A 4 include, but are not  
14 limited to, the following:

- 15 • Rent payments for business (Sunny Hill Business)
- 16 • Expenses for trip to Las Vegas, Nevada (taxi, restaurants, entertainment)
- 17 • Car payments for Respondent's sister, Sandra J. Preciado
- Gym membership/market/restaurant/shopping/cable/cell phone/groceries

18 Unauthorized disbursements of trust funds in B/A 3, B/A 4, and G/A 2

19 81. During the audit period, Respondent made unauthorized disbursements from  
20 B/A 3, B/A 4, and G/A 2, for the following:

21 <u>Date</u>	<u>Payee</u>	<u>Check/Withdrawal</u>	<u>Bank Account</u>	<u>Disbursed Amount</u>
22 5/6/2016	Manuel Preciado	209	G/A 4	\$28,251.27
23 6/1/2016	John Larson	254	B/A 4	\$57,257.00
24 8/10/2017	OCG (A/C # 5818)	withdrawal	B/A 3	\$54,010.00

1        Issue Ten (10). Code section 10176(a) / Misrepresentation/Dishonest Dealing

2            82.        Based on the sales transaction files submitted to the Department and records  
3 provided by Respondent to the Department's auditor, Respondent mislead and misrepresented to  
4 prospective buyers that their offer was the only offer accepted by the seller and misrepresented to  
5 the buyers and sellers that Respondent performed in-house broker escrow services. Respondent  
6 listed the properties and received multiple offers from different buyers.

7            83.        An examination of Respondent's sales transaction files showed that multiple  
8 offers were received and accepted by the sellers. Once accepted, Respondent would request  
9 buyers to pay their EMD to Respondent's "escrow division" named "AE Builder Escrow," "AE  
10 Escrow," or "AE Builder." However, Respondent failed to provide records to the Department's  
11 auditor, to show that any in-house escrow transactions took place or closed. Respondent issued  
12 "cancellation instructions" to some of the buyers but there was no evidence that broker escrow  
13 activities were conducted by Respondent during the audit period.

14            84.        An examination of 124 sales transaction files provided by Respondent showed  
15 that a majority of the sellers signed sales transactions electronically by DocuSign. In some of the  
16 files examined, the sellers signed the documents by hand and the manual signatures differed  
17 from the electronic signatures. The Department's auditor was unable to determine if the sellers  
18 actually signed the sales transaction file documents and whether Respondent actually had  
19 authorization to list the properties for sale, due to Respondent's failure to provide some  
20 documents requested for the audit. The conduct, acts, and/or omissions described above are in  
21 violation of Code section 10176, subdivision (a).

22  
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1 85. Examples of misrepresentations made in transactions include, but are not limited  
2 to, the following:

<u>Property</u>	<u>Buyer</u>
26065 Westridge Ave., Sun City	B.P. <sup>3</sup>
10023 Cherry Ave., Cherry Valley	J.Q. & B.B.
14683 Juniper St., Hesperia	E.I.
13722 Dodie Ave., Victorville	S.A.
13722 Dodie Ave., Victorville	A.A. & I.A.
13722 Dodie Ave., Victorville	M.P.D.
13722 Dodie Ave., Victorville	B.O.
22389 Scotia Ln., Moreno Valley	VCBI
22389 Scotia Ln., Moreno Valley	V.D.G
22389 Scotia Ln., Moreno Valley	Valer LLC

9 Issue Eleven (11). Code section 10176(f) / Exclusive Listing Agreement – Definite Termination

10 Date

11 86. During the audit period, Respondent maintained listing agreements for real estate  
12 sales activities. The exclusive listing agreements maintained by Respondent failed to state a  
13 definite, specific date of final and complete termination, in violation of Code section 10176,  
14 subdivision (f).

15 87. Examples of the listing agreements include, but are not limited to, the following:

<u>Property</u>	<u>Seller</u>
13722 Dodie Ave., Victorville	J.L. & S.L.
14863 Juniper St., Hesperia	L.P. & D.P.
1543 Turquesa Dr., San Jacinto	J.R.S. & S.L.S.
38264 Marinus Way, Palmdale	D.K.C.
2055 E. Kettering St., Lancaster (2 separate listing agreements were 19 provided by Respondent)	T.K.

24 <sup>3</sup> Initials are used in place of individuals' full names to protect their privacy. Documents containing individuals' full names will be provided during the discovery phase of this case to Respondent(s) and/or their attorneys, after service of a timely and proper request for discovery on Complainant's counsel.

1 Issue Twelve (12). Code section 10159.5 and Regulation 2731 / Use of unlicensed false of  
2 fictitious names

3 88. Respondent conducted real estate sales and property management activities using  
4 fictitious names without first obtaining from the Department, a license bearing such fictitious  
5 names, in violation of Code section 10159.5 and Regulation 2731. During the audit period,  
6 Respondent conducted real estate sales and property management activities using the following  
7 unlicensed fictitious names: "Adept Builder, LLC," "AE Builder Escrow", and "OCG  
8 Enterprises, Inc." Respondent failed to obtain from the Department, a license bearing the  
9 fictitious names. Respondent also conducted real estate activities using the unlicensed fictitious  
10 name "AE Builder" without first obtaining from the Department, a license bearing such fictitious  
11 name.

12 89. In addition, during the period from January 1, 2016 through December 10, 2017,  
13 Respondent conducted property management activities using the unlicensed fictitious name "AE  
14 Management" without first obtaining from the Department, a license bearing such fictitious  
15 name. The fictitious name of "AE Management" was licensed by the Department effective  
16 December 11, 2017.

17 Issue Thirteen (13). Code section 10148 / Retention of records

18 90. Respondent failed to retain records in connection with her real estate sales,  
19 alleged broker escrow, and property management activities, which were subpoenaed by the  
20 Department for an audit examination, in violation of Code section 10148.

21 Issue Fourteen (14). Code sections 10159.2, 10177(h), and Regulation 2725 / Broker  
22 supervision.

23 91. Respondent failed to adequately supervise the activities of Respondent's  
24 salespersons, employees, or agents and failed to establish policies, rules, procedures, and systems



1 to review, oversee, inspect, and manage transactions requiring a real estate license and the  
2 handling of trust funds to ensure compliance with the Real Estate Law and Regulations, in  
3 violation of Code sections 10159.2, 10177(h), and Regulation 2725.

4 FIRST CAUSE OF ACCUSATION

5 92. Respondent's conduct as described above in Paragraphs 40 through 91, violated  
6 the Code and the Regulations as set forth below:

<u>ISSUE NO.</u>	<u>PARAGRAPHS</u>	<u>PROVISIONS VIOLATED</u>
1	40-47	Code section 10145 and Regulation 2832.1
8	48-51	Code section 10145 and Regulation 2831
9	52-54	Code section 10145 and Regulation 2831.1
9	55	Code section 10145 and Regulation 2831.2
6	56-58	Code section 10145 and Regulation 2832
10	59-61	Code section 10145 and Regulation 2834
8	62-68	Code sections 10145, 10176(e), and Regulation 2832
11	69-81	Code sections 10145, 10176(i) or 10177(j)
10	82-85	Code section 10176(a)
12	86-87	Code section 10176(f)
12	88-89	Code section 10159.5 and Regulation 2731
13	90	Code section 10148
14	91	Code sections 10159.2, 10177(h), and Regulation 2725

14 93. The foregoing violations constitute cause for the suspension or revocation of  
15 Respondent's real estate licenses, license rights, and MLO license endorsements under the  
16 provisions of Code sections 10177(d), 10176(a), 10176(e), 10176(f), 10176(i) or 10177(j),  
17 10177(h), and/or 10177(g), 10166.051(b) and 10166.05(c).

18 Issue Two

19 94. In the audit report for LA 170132 & LA 170168, the Department's auditor  
20 addresses Issue Two without citing additional violations. Based on complaints that were  
21 submitted to the Department, it was alleged that Respondent had mislead buyers into believing  
22 that the sale of properties was contingent on the trustee's approval for Chapter 11 bankruptcy,  
23 mishandled trust funds in connection to said properties, did not return trust funds to buyers in a  
24

1 timely manner, and misrepresented herself as a non-independent broker escrow company  
2 handling sales transactions for buyers and sellers.

3 95. Based on the documents provided by Respondent to the Department's auditor for  
4 the audit examination, Respondent performed residential resale activity, representing both buyers  
5 and sellers and collected EMDS from a minimum of one hundred fifty eight (158) different  
6 buyers for the purchase of a minimum of twenty-three (23) properties listed by Respondent  
7 during the audit period of January 1, 2016 to January 31, 2018.

8 96. Based on an examination of bank records for Respondent's bank accounts (B/A 1-  
9 B/A 5, and G/A 1 – G/A 5), Respondent collected a minimum of \$1,050,810 in EMDS for the  
10 purchase of properties during January 1, 2017 through January 31, 2018. As of January 31,  
11 2018, only \$643,215 was refunded/disbursed back to buyers. Respondent used the remaining  
12 trust fund balances collected and deposited into B/A 1 and B/A 2 totaling \$407,595 to make  
13 unauthorized disbursements and transfers to Respondent's property management bank accounts  
14 (B/A 3, B/A 4, and B/A 5) and Respondent's general operating accounts. Respondent also made  
15 unauthorized property management disbursements in B/A 2.

16 97. Respondent issued EMD refunds to earlier buyers using EMDS collected from  
17 new buyers who made offers on other properties. Respondent collected new trust funds and  
18 deposited the funds into B/A 2 and A/C #5090. The trust funds were handled through B/A 2,  
19 B/A 5, G/A 4, and A/C #5090 after the audit cut-off date of January 31, 2018.

20 98. Based on the examination of bank records, provided by Respondent, for the  
21 period from February 1, 2018 through July 31, 2018, Respondent continued to collect new trust  
22 funds and issued refunds to earlier buyers for their EMDS received after the audit cut-off date of  
23 January 31, 2018. Not all of the bank records requested were provided to the Department's  
24 auditor.

1 99. Examples of the Respondent's collection of trust funds through alleged broker  
 2 escrow activities include, without limitation, the following:

<u>Property</u>	<u>Seller</u>	<u>Buyer</u>	<u>Deposit Date</u>	<u>EMD</u>
14863 Juniper St., Hesperia	L.P. & D.P.	1 J.R.	5/22/2017	\$20,000
14863 Juniper St., Hesperia	"	2 E.I.	5/24/2017	\$15,000
14863 Juniper St., Hesperia	"	3 J.C. & C.C.	5/25/2017	\$3,000
14863 Juniper St., Hesperia	"	4 E.B.C.	5/25/2017	\$4,000
14863 Juniper St., Hesperia	"	5 ELG.	5/30/2017	\$2,000
14863 Juniper St., Hesperia	"	6 F.S.	5/31/2017	\$4,050
14863 Juniper St., Hesperia	"	7 R.G.	6/5/2017	\$4,100
			<b>TOTAL</b>	<b>\$52,150</b>

8 100.

<u>Property</u>	<u>Seller</u>	<u>Buyer</u>	<u>Deposit Date</u>	<u>EMD</u>
1543 Turquesa Dr., San Jacinto	S.S. & J.S.	1 N.P.I.	9/26/2017	\$10,000
1543 Turquesa Dr., San Jacinto	"	2 J.V. & R.M.	9/29/2017	\$10,000
1543 Turquesa Dr., San Jacinto	"	3 C.R.	11/22/2017	\$10,000
			<b>TOTAL</b>	<b>\$30,000</b>

12 101.

<u>Property</u>	<u>Seller</u>	<u>Buyer</u>	<u>Deposit Date</u>	<u>EMD</u>
2055 E. Kettering St., Lancaster	T.K.	1 A.D.P.	8/29/2017	\$5,000
2055 E. Kettering St., Lancaster	"	2 M.C.G. & ASSOC.	7/25/2017	\$10,000
2055 E. Kettering St., Lancaster	"	3 CVCR	7/25/2017	\$5,000
2055 E. Kettering St., Lancaster	"	4 A.S.C. & V.H.	7/26/2017	\$5,400
2055 E. Kettering St., Lancaster	"	5 N, LLC	7/27/2017	\$5,250
2055 E. Kettering St., Lancaster	"	6 D.H.	7/31/2017	\$5,000
2055 E. Kettering St., Lancaster	"	7 K.L.	7/26/2017	\$4,800
			<b>TOTAL</b>	<b>\$40,450</b>

19 102.

<u>Property</u>	<u>Seller</u>	<u>Buyer</u>	<u>Deposit Date</u>	<u>EMD</u>
38264 Marinus Way, Palmdale	D.K.C.	1 M.J.S.	7/25/2017	\$5,000
38264 Marinus Way, Palmdale	"	2 C.A.V. & G.V.	7/26/2017	\$3,000
38264 Marinus Way, Palmdale	"	3 DRIH, LLC	7/27/2017	\$5,000
38264 Marinus Way, Palmdale	"	4 D.R. & P.S.S.	7/27/2017	\$4,800
			<b>TOTAL</b>	<b>\$17,800</b>

1 103.

<u>Property</u>	<u>Seller</u>	<u>Buyer</u>	<u>Deposit Date</u>	<u>EMD</u>
26065 Westridge Ave., Sun City	R.L. & C.L.	1 M.I. & G.S.	10/19/2017	\$5,850
26065 Westridge Ave., Sun City	""	2 S.C., A.H. & R.L.	10/23/2017	\$5,850
26065 Westridge Ave., Sun City	""	3 T.P.	10/23/2017	\$6,450
26065 Westridge Ave., Sun City	""	4 B.P.	10/24/2017	\$19,500
26065 Westridge Ave., Sun City	""	5 J.M.S. & Z.R.S.	10/26/2017	\$7,200
26065 Westridge Ave., Sun City	""	6 Y.S. & J.J.	10/27/2017	\$5,100
26065 Westridge Ave., Sun City	""	7 R.C.	10/30/2017	\$6,000
26065 Westridge Ave., Sun City	""	8 S.V. & J.G.V., Jr.	11/01/2017	\$10,000
26065 Westridge Ave., Sun City	""	9 A.R.R.	11/06/2017	\$5,850
26065 Westridge Ave., Sun City	""	10 B.U.L.	11/24/2017	\$5,000
			<b>TOTAL</b>	<b>\$76,800</b>

10 104.

<u>Property</u>	<u>Seller</u>	<u>Buyer</u>	<u>Deposit Date</u>	<u>EMD</u>
6812 Woodmere Dr., Riverside	C.E.	1 M.C. & L.C.	11/16/2016	\$5,000
6812 Woodmere Dr., Riverside	""	2 W.C.R.S.	11/17/2016	\$5,000
6812 Woodmere Dr., Riverside	""	3 C.M.P.	11/21/2016	\$10,000
6812 Woodmere Dr., Riverside	""	4 M.R.E.C., LLC	11/21/2016	\$5,000
6812 Woodmere Dr., Riverside	""	5 F.T.J.F.	11/21/2016	\$5,000
6812 Woodmere Dr., Riverside	""	6 BKS Trust	11/29/2016	\$5,000
6812 Woodmere Dr., Riverside	""	7 B.S.R., LLC	11/29/2016	\$5,000
6812 Woodmere Dr., Riverside	""	9 T.L.E.	12/01/2016	\$6,270
6812 Woodmere Dr., Riverside	""	9 C.K., LLC	12/22/2016	\$5,250
6812 Woodmere Dr., Riverside	""	10 C, LLC	12/22/2016	\$5,000
6812 Woodmere Dr., Riverside	""	11 T.N.	12/20/2016	\$5,000
6812 Woodmere Dr., Riverside	""	12 P.K. & J.S.K.	12/20/2016	\$5,400
6812 Woodmere Dr., Riverside	""	13 J.C.	12/20/2016	\$6,150
6812 Woodmere Dr., Riverside	""	14 K.V. & B.M.V.	12/23/2016	\$5,000
6812 Woodmere Dr., Riverside	""	15 W.E.I.	01/03/2017	\$6,000
6812 Woodmere Dr., Riverside	""	16 Z.B.	01/04/2017	\$5,000
			<b>TOTAL</b>	<b>\$89,070</b>

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1 105. Respondent collected trust funds including EMDS from prospective buyers for  
 2 escrow and failed to maintain or provide any sales transactions files for several transactions.  
 3 Examples of missing escrow and sales transaction files not provided by Respondent include, but  
 4 are not limited to, the following:

	<u>Buyer</u>	<u>Property</u>	<u>Seller</u>	<u>Deposit Date</u>	<u>EMD</u>
5	1 S.S. Mgmt. Group	Not provided	Not provided	01/23/2016	\$10,000
6	2 R.L. & C.C.L.	“”	“”	01/24/2016	\$10,000
7	3 SBR, LLC	“”	“”	01/29/2016	\$ 5,000
8	4 K.H.	“”	“”	06/23/2017	\$ 5,000
9	5 C.A.L.	“”	“”	07/03/2017	\$ 5,000
10	6 I.P.	“”	“”	08/11/2017	\$ 5,250
11	7 C.L. 68, LLC	“”	“”	09/26/2017	\$20,000
12	8 S.C., LLC	“”	“”	10/02/2017	\$ 4,275
	9 G.R.R.	“”	“”	12/14/2017	\$ 4,200
	10 R.L.P.	“”	“”	01/02/2018	\$10,000
	11 W.R.J.	“”	“”	01/02/2018	\$10,000
	12 J.R.	“”	“”	01/22/2018	\$10,000

13 SECOND CAUSE OF ACCUSATION

14 Consumer Complaints

15 Substantial Misrepresentation/Making False Promises/Dishonest Dealing/Fraud

16 106. There is hereby incorporated in this Second, separate, Cause of Accusation, all of  
 17 the allegations contained in Paragraphs 1 through 105, above, with the same force and effect as if  
 18 herein fully set forth.

19 107. Respondent’s scheme of collecting multiple EMDS from different buyers for the  
 20 same property and conversion of property management and EMD trust funds for Respondent’s  
 21 own use, gain, or benefit involved similar acts, conduct, and omissions by Respondent.<sup>4</sup>  
 22 Respondent made substantial misrepresentations, false promises, and engaged in dishonest  
 23 dealing or fraud. Respondent’s scheme involved, but is not limited to, the following facts:

24 \_\_\_\_\_  
<sup>4</sup> As described in further detail above in Paragraphs 10-16 and 69-105.

1           108. Respondent (while using unlicensed fictitious business names, including, but not  
2 limited to, "AE Builder", "AE Builder LLC", "Adept Builder LLC", "AE MGMT", "AE Mgmt  
3 Sales & Acquisitions", and "AE Sales and Acquisitions") claimed to be the broker and agent for  
4 sellers of real properties.

5           109. In some transactions, Respondent acted as a dual agent for both the seller and  
6 prospective buyer and induced the buyer to submit an offer on a real property.

7           110. Multiple prospective buyers submitted offers to Respondent for the purchase of  
8 the same real property.

9           111. Respondent would submit a Seller Multiple Counter Offer ("counter offer") to  
10 multiple buyers or the buyers' agents. The counter offers stated similar terms including, but not  
11 limited to, the following:

- 12           • Property to be sold as is, termite clearance will not be provided;
- 13           • Buyer is aware property is tenant occupied and undergoing and [sic] eviction;
- 14           • Property to be vacant on a date certain and buyer to have 3 days to inspect and  
            remove buyer contingencies;
- 15           • Property is to be delivered vacant 5 days prior to the close of escrow;
- 16           • Escrow to be 60 days with AE Builder and Title to be Ticor Title Kim;
- 17           • EMD to be delivered to escrow 1 day from counter acceptance along with agent  
            acknowledgement; and
- EMD is eligible for release Back to buyer should Escrow require an extension, and  
            not close within 60 days.

18           112. Respondent provided various excuses for not allowing interior inspections of the  
19 properties, including alleged, uncooperative tenants facing eviction.

20           113. The buyers would accept the Respondent's counter offer.

21           114. Respondent executed several Residential Purchase Agreements for the purchase  
22 of the same property with different buyers.

23           115. On the purchase agreements, unlicensed persons including Norma Pedroza and  
24 Elizabeth "Liz" Larson were listed as the escrow agent for Respondent's unlicensed,

1 nonproductive escrow companies, including "AE Builder Escrow", "AE Escrow", and "Adept  
2 Builder LLC Asset Management Co.", among others.

3 116. Respondent instructed multiple buyers to wire their EMDS for the same property  
4 to Respondent's bank accounts.

5 117. Without knowing that other buyers' offers had also been accepted by Respondent,  
6 multiple buyers wired EMDS for the same property to Respondent's bank accounts.

7 118. Respondent would provide various excuses for delays in closing of the  
8 transactions and for failure to provide escrow documents to the buyers including, but not limited  
9 to, escrow instructions or a title report.

10 119. Some buyers submitted a Notice to Seller to Perform which were not complied  
11 with by Respondent or the seller.

12 120. Some buyers discovered that Respondent had also accepted offers and collected  
13 EMDS from other buyers for the same property.

14 121. In some transactions, the buyer's agent discovered that the property had been  
15 foreclosed and that Respondent had failed to inform the buyer's agent of the foreclosure despite  
16 repeated requests for updates on the status from the buyer's agent.

17 122. In some transactions, Respondent sent an email to the buyer or buyer's agent  
18 stating that escrow needed to be canceled. Respondent often repeatedly promised to return  
19 EMDS to buyers.

20 123. After waiting several weeks or months for their transactions to close with no  
21 actual progress or close of escrow, buyers exercised their right for cancellation of the contract,  
22 demand for release of deposit, and cancellation of escrow from Respondent.

23  
24



1           124. Respondent failed to timely return EMDS to some buyers or failed to return the  
2 complete or entire amount of other buyers' EMDS, despite repeated demands from buyers for  
3 return of their deposits.

4           125. In some transactions, Respondent refused to refund the EMD to a buyer unless the  
5 buyer signed a release of liability.

6           126. In some transactions, Respondent falsely informed the buyers that a check for the  
7 refund of the buyer's EMD had been mailed to the buyer when, in fact, Respondent never mailed  
8 the refund payment to the buyer.

9           127. In some transactions, Respondent would send a check to the buyer from one of  
10 Respondent's bank accounts and then placed a stop payment on the check.

11           128. In some transactions, Respondent issued a check from one of her bank account's  
12 to the buyer as a refund of the buyer's EMD. The check was returned for insufficient funds and  
13 the buyer was charged a returned check fee by the buyer's bank.

14           129. Respondent's misconduct described above includes, but is not limited to, the  
15 following transactions:

<u>EMD Date</u>	<u>Property Address</u>	<u>Seller</u>	<u>Buyer</u>	<u>EMD</u>
05-13-19	9470 S. Hobart Blvd., Los Angeles	A.S.	AH, LLC	\$5,000
05-10-19	9470 S. Hobart Blvd., Los Angeles	A.S.	P.I.	\$10,000
04-30-19	2609 Orange St., Riverside	M.A.	J.O.	\$40,000
04-30-19	2609 Orange St., Riverside	M.A.	P.Y.	\$5,000
04-23-19	2609 Orange St., Riverside	M.A.	ZK, LLC	\$7,500
04-22-19	9470 S. Hobart St., Los Angeles	A.S.	J.B.	\$9,500
04-19-19	2609 Orange St., Riverside	M.A.	CFF, LLC	\$7,500
04-18-19	2609 Orange St., Riverside	M.A.	Y.O.Y.	\$7,500



	<u>EMD Date</u>	<u>Property Address</u>	<u>Seller</u>	<u>Buyer</u>	<u>EMD</u>
1	04-16-19	2609 Orange St., Riverside	M.A.	L.E.I.	0
2	04-15-19	17149 Marin Ct., Fontana	D.A.H.	L.R., M.R.	\$8,850
3	04-08-19	15096 Alyssum Ct., Fontana	W.C.	H.L., Y.Z.	\$9,540
4	04-02-19	15102 S. Raymond Ave., Gardena	D.K.W.	F.P., Y.P.	\$10,000
5	04-01-19	1040 W. 103 <sup>rd</sup> St., Los Angeles	D.W.	E.C. Inc.	\$10,000
6	03-28-19	1040 W. 103 <sup>rd</sup> St., Los Angeles	D.W.	UCD	\$5,000
7	03-22-19	1224 W. 81 <sup>st</sup> St., Los Angeles	R.M.	AH, LLC	\$10,000
8	03-21-19	7021 John Sr., Riverside	C.G.L.	MP, LLC	0
9	03-07-19	1224 W. 81 <sup>st</sup> St., Los Angeles	R.M.	J.A.	\$10,000
10	02-27-19	1224 W. 81 <sup>st</sup> St., Los Angeles	R.M.	A.L.	\$20,000
11	02-26-19	12332 Runnymede St. #1, Hollywood	O.M.	G.L, M.L.	\$9,750
12	02-13-19	717 Juniper St., Hemet	E.W.	FF, LLC	\$5,200
13	02-12-19	717 Juniper St., Hemet	E.W.	R.C., T.C.	\$5,200
14	02-05-19	12332 Runnymede St. #1, Hollywood	O.M.	J.H., E.H.	\$5,000
15	01-25-19	37385 Brutus Way, Riverside	J.Y.	L, LLC	\$10,000
16	01-25-19	11056 Night Shadow Dr., Riverside	D.K.R.	L, LLC	\$10,000
17	01-23-19	11056 Night Shadow Dr., Riverside	D.K.R.	GAZI, Inc.	\$8,500
18	01-22-19	11056 Night Shadow Dr., Riverside	D.K.R.	CPD, Inc.	\$8,500
19	01-07-19	3395 Mulberry St., Riverside	D.B.	RH, LLC	\$9,000
20	12-24-18	5482 Golden West Ave., Riverside	K.L.F.	TREI, LLC	\$7,500
21	12-21-18	5482 Golden West Ave., Riverside	K.L.F.	E.M.	\$9,500
22	12-21-18	5482 Golden West Ave., Riverside	K.L.F.	CC, Inc.	\$9,200
23	12-19-18	5482 Golden West Ave., Riverside	K.L.F.	MPI, LLC	\$10,000

	<u>EMD Date</u>	<u>Property Address</u>	<u>Seller</u>	<u>Buyer</u>	<u>EMD</u>
1					
2	11-29-18	16424 Welsh Ct., Moreno Valley	M.O.Z.	R.R., M.M.	\$5,500
3	11-27-18	932 W. Poplar, Compton	L.S.	RCDP, LLC	\$10,000
4	11-26-18	2736 E. Harrison St., Corona	T.L.G.	D&Y C	\$9,750
5	10-26-18	12721 Paseo Azul Way, Corona	H.B.	H.J.	\$8,900
6	10-25-18	2736 E. Harrison St., Corona	V.G.	M.M.	\$15,000
7	09-24-18	760 Balsam Ln., Corona	F.N.	W.S.	\$9,500
8	09-12-18	3035 Winter St., Los Angeles	M.V.T.	D.L.	\$11,500
9	09-07-18	3035 Winter St., Los Angeles	M.V.T.	G.N.S.	\$10,500
10	08-16-18	3035 Winter St., Los Angeles	G.M.R. <sup>5</sup>	F.T.	\$12,000
11	07-27-18	760 Balsam Ln., Corona	F.N.	W.T.B.	\$49,000
12	07-20-18	760 Balsam Ln., Corona	F.N.	P.S.	\$10,000
13	06-20-18	1114 Citron St. #59, Anaheim	J.W.L.	SV, LLC	\$9,000
14	06-13-18	253 E. Nicolet St., Banning	M.H.	C28No.8LP	\$10,000
15	05-31-18	3900 Albillo Loop, Perris	J.F.A.	M.F.A.	\$9,500
16	05-31-18	3900 Albillo Loop, Perris	J.F.A.	Y.F. Trust	\$9,500
17	05-31-18	3900 Albillo Loop, Perris	J.F.A.	W.T.	\$9,500
18	05-24-18	28594 Forest Oaks Way, Moreno Valley	M.Y.,T.Y.	M. Corp.	\$15,000
19	05-18-18	28594 Forest Oaks Way, Moreno Valley	M.Y.,T.Y.	E.C.	\$10,000
20	10-24-17	26065 Westridge Ave., Sun City	R.L., C.L.	B.P., J.P.	\$19,500
21	10-23-17	26065 Westridge Ave., Sun City	R.L., C.L.	T.P.	\$6,450
22	10-19-17	26065 Westridge Ave., Sun City	R.L., C.L.	M.I.S., G.S.	\$5,850
23	09-26-17	1543 Turquesa Dr., San Jacinto	S.S., J.S.	N.P.I.	\$10,000
24					

<sup>5</sup> Seller G.M.R. was deceased prior to seller's electronic signature on purchase agreement dated 8/14/2018.

<u>EMD Date</u>	<u>Property Address</u>	<u>Seller</u>	<u>Buyer</u>	<u>EMD</u>
07-27-17	2055 Kettering St., Lancaster	T.K.	MCG	\$10,000
12-23-16	6812 Woodmere Dr., Riverside	C.E.	K.V.	\$5,000

130. In Case No. 19CF0529 filed before the Superior Court of California, County of Orange, Central Justice Center, Respondent has been charged with violations of approximately 22 felony counts of grand theft related to the real estate fraud scheme described. That criminal case is still pending.

131. In Case No. 19CF1466 filed before the Superior Court of California, County of Orange, Central Justice Center, Respondent has been charged with violations of approximately 25 felony counts of grand theft related to the real estate fraud scheme described above. That criminal case is still pending.

SECOND CAUSE OF ACCUSATION

Substantial Misrepresentation

132. Respondent's conduct, acts and/or omissions as described in further detail in Paragraphs 3 through 129, above, constitute cause for the suspension or revocation of Respondent's real estate licenses, license rights, and MLO license endorsements pursuant to Code sections 10176, subdivision (a), (substantial misrepresentation), 10166.051(b), and 10166.05(c).

THIRD CAUSE OF ACCUSATION

Making False Promises

133. There is hereby incorporated in this Third, separate, Cause of Accusation, all of the allegations contained in Paragraphs 1 through 132, above, with the same force and effect as if herein fully set forth.

1           134. Respondent's conduct, acts and/or omissions as described in further detail in  
2 Paragraphs 3 through 129, above, constitute cause for the suspension or revocation of  
3 Respondent's real estate licenses, license rights, and MLO license endorsements pursuant to  
4 Code sections 10176, subdivision (b), (making false promise), 10166.051(b), and 10166.05(c).

5                                   **FOURTH CAUSE OF ACCUSATION**

6                                   **Continued & Flagrant Misrepresentations**

7           135. There is hereby incorporated in this Fourth, separate, Cause of Accusation, all of  
8 the allegations contained in Paragraphs 1 through 134, above, with the same force and effect as if  
9 herein fully set forth.

10           136. Respondent's conduct, acts and/or omissions as described in further detail in  
11 Paragraphs 3 through 129, above, constitute cause for the suspension or revocation of  
12 Respondent's real estate licenses, license rights, and MLO license endorsements pursuant to  
13 Code sections 10176 (c) (continued and flagrant misrepresentations through salespersons or  
14 agents), 10166.051(b), and 10166.05(c).

15                                   **FIFTH CAUSE OF ACCUSATION**

16                                   **Dishonest Dealing/Fraud**

17           137. There is hereby incorporated in this Fifth, separate, Cause of Accusation, all of  
18 the allegations contained in Paragraphs 1 through 136, above, with the same force and effect as if  
19 herein fully set forth.

20           138. Respondent's conduct, acts and/or omissions as described in further detail in  
21 Paragraphs 3 through 129, above, constitute cause for the suspension or revocation of  
22 Respondent's real estate licenses, license rights, and MLO license endorsements pursuant to  
23 Code sections 10176, subdivision (i) (fraud or dishonest dealing in licensed capacity) and/or  
24 10177, subdivision (j), (fraud or dishonest dealing), 10166.051(b), and 10166.05(c).

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SIXTH CAUSE OF ACCUSATION

Failure to obtain license for fictitious business name

139. There is hereby incorporated in this Sixth, separate, Cause of Accusation, all of the allegations contained in Paragraphs 1 through 138, above, with the same force and effect as if herein fully set forth.

140. Respondent’s use of unlicensed fictitious business names including, but not limited to, “AE Builder,” “AE Builder LLC,” “Adept Builder LLC,” “Adept Builder LLC Asset Management Co.,” “AE Management Sales & Acquisitions,” “AE MGMT,” “AE Trust,” and “AE Mgmt Sales & Acquisitions” in the conduct of activities that require a real estate license, as described in further detail in Paragraphs 7, 57, 88, 89, and 108, above, is a violation of Code sections 10159.5 and Regulation 2731 (failure to obtain a license for fictitious business name) and constitutes grounds for the suspension or revocation of Respondent’s real estate license, license rights, and MLO license endorsements pursuant to Code sections 10177, subdivision (d) (violation of real estate law or regulations) and/or subdivision (g) (negligence), 10166.051(b), and 10166.05(c).

SEVENTH CAUSE OF ACCUSATION

Violation of Real Estate Law and Regulations

141. There is hereby incorporated in this Seventh, separate, Cause of Accusation, all of the allegations contained in Paragraphs 1 through 140, above, with the same force and effect as if herein fully set forth.

142. Respondent’s conduct, acts and/or omissions as described in further detail in Paragraphs 3 through 129, above, constitute cause for the suspension or revocation of Respondent’s real estate licenses, license rights, and MLO license endorsements pursuant to

1 Code sections 10177, subdivision (d) (violation of real estate law or regulations), 10166.051(b),  
2 and 10166.05(c).

3 EIGHTH CAUSE OF ACCUSATION

4 Negligence

5 143. There is hereby incorporated in this Eighth, separate, Cause of Accusation, all of  
6 the allegations contained in Paragraphs 1 through 142, above, with the same force and effect as if  
7 herein fully set forth.

8 144. Respondent's conduct, acts and/or omissions as described in further detail in  
9 Paragraphs 3 through 129, above, constitute cause for the suspension or revocation of  
10 Respondent's real estate licenses, license rights, and MLO license endorsements pursuant to  
11 Code sections 10177, subdivision (g) (negligence), 10166.051(b), and 10166.05(c).

12 Investigation and Enforcement Costs

13 145. Code section 10106 provides, in pertinent part, that in any order issued in  
14 resolution of a disciplinary proceeding before the Department of Real Estate, the Commissioner  
15 may request the administrative law judge to direct a licensee found to have committed a violation  
16 of this part to pay a sum not to exceed the reasonable costs of the investigation and enforcement  
17 of the case.

18 Audit Costs

19 146. Code section 10148(b) provides, in pertinent part, that the Commissioner shall  
20 charge a real estate broker for the cost of any audit, if the Commissioner has found in a final  
21 decision following a disciplinary hearing that the broker has violated Code section 10145 or a  
22 regulation or rule of the Commissioner interpreting said section.

23 ///

24 ///

1 WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this  
2 Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action  
3 against all licenses and/or license rights of Respondent LAURA CHRISTINA PRECIADO under  
4 the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code), for the cost of  
5 investigation and enforcement as permitted by law, and for such other and further relief as may  
6 be proper under other provisions of law.

7 Dated at Los Angeles, California this 27<sup>th</sup> day of September, 2019.

8  
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10   
11 MARIA SUAREZ  
12 Supervising Special Investigator

13 cc: Laura Christina Preciado  
14 Maria Suarez  
15 Audits/Shirley Xie  
16 Sacto.  
17 OAH  
18  
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24

7/14/19

1 LISSETE GARCIA, Counsel (SBN 211552)  
Department of Real Estate  
2 320 West 4th Street, Suite 350  
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*Attorney for Complainant*

**FILED**  
SEP 25 2019  
DEPT. OF REAL ESTATE  
*[Signature]*

8 BEFORE THE DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation against  
12 LAURA CHRISTINA PRECIADO,  
13 Respondent.

DRE No. H-41332 LA  
OAH No. 2019050289  
SECOND AMENDED ACCUSATION

15 This Second Amended Accusation incorporates and amends the First Amended  
16 Accusation filed on April 9, 2019. Complainant, Maria Suarez, a Supervising Special  
17 Investigator for the Department of Real Estate<sup>1</sup> ("Department") of the State of California, for  
18 cause of this Accusation against LAURA CHRISTINA PRECIADO, aka Laura Christina  
19 Benavides ("Respondent"), is informed and alleges as follows:

20 1. The Complainant, Maria Suarez, a Supervising Special Investigator of the State of  
21 California, makes this Accusation in her official capacity.

22 ///

24 <sup>1</sup> Between July 1, 2013 and July 1, 2018, the Department of Real Estate operated as the Bureau of Real Estate under the Department of Consumer Affairs.



1           2.       All references to the "Code" are to the California Business and Professions Code  
2 and all references to "Regulations" are to the Regulations of the Real Estate Commissioner, Title  
3 10, Chapter 6, California Code of Regulations.

4           3.       Respondent is presently licensed and/or has license rights under the Real Estate  
5 Law (Part 1 of Division 4 of the California Business and Professions Code).

6           4.       On March 17, 2014, the Department issued a real estate broker license, License  
7 ID 01473934. Respondent was previously licensed as a real estate salesperson from February 8,  
8 2005 through March 16, 2014.

9           5.       Respondent has a Mortgage Loan Originator ("MLO") license endorsement  
10 number, Nationwide Multistate Licensing System ("NMLS") ID No. 1284959. Respondent has  
11 a Company MLO License Endorsement, NMLS 1696087.

12          6.       Respondent is currently not licensed by the Department to do business as under  
13 any fictitious business names.

14          7.       At all times mentioned herein, Respondent was doing business under several  
15 unlicensed fictitious business names including, but not limited to, AE Real Estate, Inc., AE  
16 Management, AE Mortgage, AE Builder, LLC, AE Builder Escrow, Adept Builder, LLC, Asset  
17 Management Company, and AE Mgmt Sales and Acquisitions.

18          8.       At all times mentioned herein, in the State of California, Respondent engaged in  
19 the business of, acted in the capacity of, and assumed to act as real estate licensee within the  
20 meaning of Code Section 10131, including the sale of real property, property management, and  
21 soliciting or offering to conduct broker-controlled escrows.

22          9.       Whenever reference is made in an allegation in this Accusation to an act or  
23 omission of Respondent, such allegation shall be deemed to include the officers, directors,  
24 employees, agents, independent contractors, co-conspirators, and/or real estate licensees

1 employed by or associated with Respondent, who committed such acts or omissions while  
2 engaged in the furtherance of the business or operations of the respondent and while acting  
3 within the course and scope of their authority and employment. Said individuals include, but are  
4 not limited to, Manuel Preciado, Sandra Preciado, Yanet Galindo, Corrina Renee Benavides,  
5 Elizabeth Larson, John Christopher Larson, Raul Ray Castaneda III, Monica Nuques, Gina  
6 Pesquera, and Norma Pedroza.

### 7 SUMMARY OF FACTS

8 10. During the prior three year period, Respondent devised a scheme to defraud  
9 others by collecting earnest money deposits ("EMDS") from prospective purchasers of real  
10 property and converting said trust funds for Respondent's own use, gain, or benefit.

11 11. As part of the scheme, Respondent solicited the sale of real properties located in  
12 California to prospective purchasers through listings on various platforms including, but not  
13 limited to, Multiple Listing Service ("MLS").

14 12. Respondent listed properties for which Respondent had not obtained a valid  
15 listing agreement or received authorization to list the properties from the properties' owners or  
16 agents. Respondent claimed that the properties were unavailable for interior inspection or  
17 viewing for various alleged reasons.

18 13. Respondent accepted multiple offers from different buyers for the same property.  
19 Respondent induced buyers to submit EMDS to unlicensed escrow companies owned and  
20 controlled by Respondent. Respondent induced and instructed the buyers to wire or deliver their  
21 EMDS to bank accounts controlled by Respondent.

22 14. Respondent misrepresented her unlicensed companies as non-independent broker  
23 escrow companies and misled buyers into believing that the buyers' EMDS would be held in  
24 trust by Respondent's escrow companies. Respondent collected multiple EMDS from different

1 buyers for the same property, then commingled and converted the trust funds for Respondent's  
2 own use or gain.

3 15. Respondent would provide excuses when buyers questioned the delay in their  
4 transactions. The buyers eventually asked to cancel the transactions and requested a refund of  
5 their EMDS. Respondent failed to return some EMDS to buyers in a timely manner or failed  
6 altogether to return any of the EMDS owed to some buyers.

7 16. Respondent used new EMDS and property management trust funds to refund  
8 monies owed to earlier buyers and property management clients. During the period of January 1,  
9 2016 through January 31, 2018, Respondent collected an estimated minimum of \$1,050,810 in  
10 EMDS from at least 158 buyers for the purchase of approximately 23 properties that were listed  
11 by Respondent. As of January 31, 2018, Respondent had only refunded \$643,215 of EMDS/  
12 trust funds back to the buyers.

13 Audits LA 170132 and LA 170168

14 17. On or about December 31, 2018, the Department completed audit examinations of  
15 the books and records of Respondent's real estate sales and property management activities  
16 which require a real estate broker license pursuant to Code section 10131. Audit No. LA 170132  
17 covered Respondent's real estate sales activities. Audit No. LA 170168 covered Respondent's  
18 property management activities. The audit examinations covered a period of time from  
19 January 1, 2016 through January 31, 2018 ("audit period"). The audit examinations revealed  
20 violations of the Code and the Regulations as set forth in the following paragraphs, and more  
21 fully discussed in Audit Report No. LA 170132 & LA 170168 and the exhibits and work papers  
22 attached to said audit report.

23 18. An entrance conference was held with Respondent on February 8, 2018. The  
24 Department issued a subpoena duces tecum for Respondent's books and records related to

1 Respondent's real estate sales and property management activities. The Department's auditor  
2 did not receive some of Respondent's records that were requested for the audit examination.

3 19. According to Respondent and an examination of records, Respondent maintained  
4 the following bank accounts for Respondent's real estate broker activities during the audit  
5 period:

6 20. Bank Account #1 (B/A 1)

7 Account #: xxxx0253  
8 Bank: Bank of America  
9 Account Name: Adept Builder LLC DBA AE Builder Escrow

10 21. Bank Account #2 (B/A 2)

11 Account #: xxxxx6111  
12 Bank: Wells Fargo Bank  
13 Account Name: Adept Builder LLC

14 22. Bank Account #3 (B/A 3)

15 Account #: xxxxx4119  
16 Bank: Bank of America  
17 Account Name: LCP [Laura Christina Preciado] Living Trust

18 23. Bank Account #4 (B/A 4)

19 Account #: xxxxx0892  
20 Bank: Bank of America  
21 Account Name: Adept Builder LLC

22 24. Bank Account #5 (B/A 5)

23 Account #: xxxxx6129  
24 Bank: Wells Fargo Bank  
Account Name: Adept Builder LLC

25. General Account #1 (G/A 1)

Account #: xxxxx0240  
Bank: Bank of America  
Account Name: Adept Builder LLC DBA AE Builder

26. General Account #2 (G/A 2)

Account #: xxxxx7192  
Bank: Bank of America  
Account Name: LCP Living Trust Laura C. Preciado Trtee John  
Christopher Larson Trtee

- 1           27.    General Account #3 (G/A 3)  
            Account #:           xxxxx6103  
2           Bank:                Wells Fargo Bank  
            Account Name:        Adept Builder LLC  
3
- 4           28.    General Account #4 (G/A 4)  
            Account #:           xxxxx0562  
5           Bank:                Wells Fargo Bank  
            Account Name:        Adept Builder LLC  
6
- 7           29.    General Account #5 (G/A 5)  
            Account #:           xxxxx5818  
8           Bank:                Wells Fargo Bank  
            Account Name:        OCG Enterprises, Inc.

9    Additional bank accounts

10           30.    Based on an examination of records subpoenaed from Bank of America, the  
11 Department's auditor identified an additional four (4) bank accounts (A/C #0986, A/C #7209,  
12 A/C #3440, and A/C # 8239) that Respondent maintained during the audit period. Respondent  
13 failed to provide bank statements or full bank account numbers to the Department's auditor.  
14 Respondent claimed that A/C #8239 belonged to Respondent's son and Respondent would  
15 occasionally transfer money into A/C #8239.

16           31.    In addition, Respondent opened at least two new bank accounts (A/C #3561 and  
17 A/C #5090, Respondent's "Account Project MGMT" account). According to Respondent, A/C  
18 #3561 was used for property management fees earned and A/C #5090 was used to collect  
19 "investor" trust funds.

20           32.    Based on the auditor's examination of the bank statements received from  
21 Respondent, Respondent collected approximately \$357,500 of additional trust funds after the  
22 auditor's cutoff date of January 31, 2018, for A/C #5090.

23           33.    Respondent stated that "the accounts are new and not from the audit period. The  
24 Escrow Division is still work in progress, and until [I] straiten [sic] out my files, [I] will not open

1 new escrows. [I] want to close all the current transactions first.” Based on the examination of  
2 bank statements, the majority of funds collected for A/C #5090 were immediately transferred to  
3 B/A 5.

4 34. Based on an examination of bank records, funds collected and deposited into  
5 A/C #5090 were transferred into G/A 4 and B/A 5 to reimburse EMDS that Respondent collected  
6 from earlier buyers.

7 35. Respondent made refunds to buyers from the new, additional trust funds that  
8 Respondent collected after the audit cutoff date of January 31, 2018.

9 36. Due to the limited records provided by Respondent, the Department’s auditor was  
10 unable to verify where the source of funds came from to cure the trust fund shortages discussed  
11 further below.

12 37. Based on complaints that the Department received from victims, Respondent  
13 continued to collect EMDS after the audit cut-off period.

14 38. Based on complaints that the Department received from victims, Respondent also  
15 instructed buyers to wire EMDS to two additional accounts whose records were not provided to  
16 the Department’s auditor:

17 Account #: xxxxx1387  
18 Bank: JP Morgan Chase  
19 Account Name: Laura Preciado / AE Management and Sales

20 Account #: xxxxx9918  
21 Bank: JP Morgan Chase  
22 Account Name: AE Real Estate, Inc. / AE Trust

23 Audits LA 170132 & 170168 - Violations

24 39. In the course of Respondent’s real estate sales and property management activities  
during the audit examination period of January 1, 2016 through January 31, 2018, Respondent  
acted in violation of the Code and the Regulations as follows:

1 Issue One (1). Code section 10145 and Regulation 2832.1 / Trust fund for multiple beneficiaries.

2 40. The Department's auditor prepared a combined minimum bank reconciliation for  
3 B/A 1 and B/A 2 as of January 31, 2018. The combined minimum adjusted bank balance was  
4 compared to the combined minimum accountability. As of January 31, 2018, there was a  
5 combined minimum trust fund shortage of <\$407,741.29> in B/A 1 and B/A 2. Respondent  
6 failed to provide any evidence that the owners of the trust funds had given their written consent  
7 to allow Respondent to reduce the balance of the funds in B/A 1 and B/A 2 to an amount less  
8 than the existing aggregate trust fund liabilities, in violation of Code section 10145 and  
9 Regulation and 2832.1.

10 41. The causes for the trust fund shortage include, without limitation, the following:

<u>Cause</u>	<u>Amount</u>
1. Negative EMD balances	<\$5,150.00>
12 2. Minimum bank charges in B/A 2	<\$2,696.50>
13 3. Minimum unauthorized disbursements in B/A 2/Conversion of trust funds	<\$27,457.74>
14 4. Minimum unauthorized disbursements in B/A 5/Conversion of trust funds	<\$277,223.00>
15 5. Minimum unauthorized disbursements in B/A 4/Conversion of trust funds	<\$95,214.50>
<b>Combined Minimum Trust Fund Shortage as of 1/31/2018</b>	<b>&lt;\$407,741.29&gt;</b>

17 Issue One (1). Code section 10145 and Regulation 2832.1 / Trust fund for multiple beneficiaries.

18 42. As of March 31, 2017, there was a combined minimum trust fund shortage of  
19 <\$266,925.00> in B/A 1 and B/A 2. Respondent failed to provide any evidence that the owners  
20 of the trust funds had given their written consent to allow Respondent to reduce the balance of  
21 the funds in B/A 1 and B/A 2 to an amount less than the existing aggregate trust fund liabilities,  
22 in violation of Code section 10145 and Regulation and 2832.1.

43. The causes for the trust fund shortage include, without limitation, the following:

<u>Cause</u>	<u>Amount</u>
1. Negative EMD balances	<\$150.00>
2. Minimum bank charges in B/A 1	<\$1,581.00>
3. Minimum unauthorized disbursements/Conversion of trust funds in B/A 1	<\$12,128.62>
4. Minimum unauthorized disbursements to G/A 1 / Conversion of trust funds	<\$33,867.12>
5. Minimum unauthorized disbursements to B/A 4 / Conversion of trust funds	<\$124,520.26>
6. Minimum unauthorized disbursements to B/A 3 / Conversion of trust funds	<\$4,335.00>
7. Minimum unauthorized disbursements to G/A 2 / Conversion of trust funds, Check 1026	<\$4,500.00>
8. Minimum unidentified shortage	<\$85,843.00>
<b>Combined Minimum Trust Fund Shortage as of 3/31/2017</b>	<b>&lt;\$266,925.00&gt;</b>

Issue One (1). Code section 10145 and Regulation 2832.1 / Trust fund for multiple beneficiaries.

44. As of January 31, 2018, based on the Department's reconstructed records that were provided to the auditor, there was a combined minimum trust fund shortage of <\$161,992.61> in B/A 3, B/A 5, G/A 1, G/A 2, G/A 3 and G/A 4, which were used for handling of trust funds in connection with Respondent's property management activities. Respondent failed to provide any evidence that the owners of the trust funds had given their written consent to allow Respondent to reduce the balance of the funds in the afore-mentioned bank accounts to an amount less than the existing aggregate trust fund liabilities, in violation of Code section 10145 and Regulation and 2832.1.

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1           45.    The causes for the trust fund shortage include, without limitation, the following:

<u>Cause</u>	<u>Amount</u>
1. Negative property balances in B/A 5	<\$5,477.23>
2. Minimum bank charges for G/A 1	<\$179.00>
3. Minimum bank charges for G/A 2	<\$969.00>
4. Minimum bank charges for G/A 3	<\$1,030.50>
5. Minimum bank charges for G/A 4	<\$2,147.50>
6. Minimum bank charges for B/A 3	<\$2,064.00>
7. Minimum unauthorized disbursements in G/A 1 / Conversion of trust funds	<\$367.69>
8. Minimum unauthorized disbursements in G/A 2 / Conversion of trust funds	<\$8,231.31>
9. Minimum unauthorized disbursements in G/A 3 / Conversion of trust funds	<\$14,843.32>
10. Minimum unauthorized disbursements in G/A 4 / Conversion of trust funds	<\$97,866.00>
11. Minimum unauthorized disbursements in B/A 3 / Conversion of trust funds	<\$20,381.46>
12. Minimum unauthorized disbursements in B/A 5 / Conversion of trust funds / bank fees	<\$6,935.36>
13. Home Deport credit card in connection with B/A 5	<\$1,500.24>
<b>14. Combined Minimum Trust Fund Shortage as of 1/31/2018</b>	<b>&lt;\$161,992.61&gt;</b>

15 Issue One (1). Code section 10145 and Regulation 2832.1 / Trust fund for multiple beneficiaries.

16           46.    As of March 31, 2017, based on Respondent's records that were provided to the  
17 auditor, there was a combined minimum trust fund shortage of <\$18,182.89> in B/A 3, B/A 4,  
18 B/A 5, G/A 1, G/A 2, G/A 3 and G/A 4, which were used for handling of trust funds in  
19 connection with Respondent's property management activities. Respondent failed to provide any  
20 evidence that the owners of the trust funds had given their written consent to allow Respondent  
21 to reduce the balance of the funds in the afore-mentioned bank accounts to an amount less than  
22 the existing aggregate trust fund liabilities, in violation of Code section 10145 and Regulation  
23 and 2832.1.

24

1           47.     The causes for the trust fund shortage include, without limitation, the following:

<u>Cause</u>	<u>Amount</u>
1. Negative property balances	<\$2,506.83>
2. Minimum unauthorized disbursements / Conversion of trust funds in B/A 4	<\$7,721.03>
3. Minimum unauthorized disbursements / Conversion of trust funds in G/A 1	<\$7,955.03>
<b>Combined Minimum Trust Fund Shortage as of 3/31/2017</b>	<b>&lt;\$18,182.89&gt;</b>

6 Issue Three (3)<sup>2</sup>. Code section 10145 and Regulation 2831. / Trust fund records to be  
7 maintained.

8           48.     During the audit period, Respondent failed to maintain an accurate and complete  
9 record of trust funds received and disbursed (control record) for B/A 1, B/A 2, B/A 3, B/A 4,  
10 B/A 5, G/A 1, G/A 2, G/A 3, G/A 4, and G/A 5, in violation of Code section 10145 and  
11 Regulation 2831. Respondent collected a minimum of \$1,050,810 in EMDS from buyers for the  
12 purchase of properties between January 1, 2017 and January 31, 2018, based on the  
13 Department's auditor's reconstructed separate records for Respondent's real estate sales  
14 activities and examination of the subpoenaed bank records for Respondent's bank accounts for  
15 real estate sales trust funds (B/A 1 and B/A 2), property management trust funds (B/A 3,  
16 B/A 4, and B/A 5), and Respondent's general operating accounts (G/A 1, G/A 2, G/A 3, G/A 4,  
17 and G/A 5).

18  
19 B/A 1 and B/A 2 (LA 170132)

20           49.     During the audit period, Respondent failed to maintain control records for the  
21 receipts and disbursements of EMD trust funds collected from buyers for the purchase of real  
22 properties and handling through B/A 1 and B/A 2, in connection with Respondent's real estate  
23  
24

<sup>2</sup> Issue Two (2) was skipped intentionally, see Paragraph 94, below.

1 sales activities. Respondent failed to maintain control records for B/A 1 from 1/1/2016 to  
2 3/31/2017 and for B/A 2 from 4/1/2017 to 1/31/2018.

3 50. During the audit period, Respondent did not maintain a control record for all  
4 transfers made between Respondent's property management bank accounts (B/A 3, B/A 4, and  
5 B/A 5), real estate sales bank accounts (B/A 1 and B/A 2), and Respondent's general operating  
6 accounts (G/A 1, G/A 2, G/A 3, G/A 4, and G/A 5).

7 B/A 3, B/A 4 and B/A 5 (LA 170168)

8 51. During the audit period, based on Respondent's records that were provided to the  
9 auditor, Respondent failed to maintain accurate and complete control records for the receipts and  
10 disbursements of trust funds for B/A 3, B/A 4, and B/A 5, in connection with Respondent's  
11 property management activities. Based on the control records provided by Respondent, the  
12 records did not include the date of funds received, some disbursements were not recorded, and  
13 Respondent recorded inaccurate dates and disbursement amounts. In addition, Respondent did  
14 not maintain control records for trust funds deposited and/or disbursed through G/A 1, G/A 2,  
15 G/A 3, and G/A 4.

16 Issue Four (4). Code section 10145 and Regulation 2831.1 / Separate records for each  
17 beneficiary or transaction

18 52. During the audit period, Respondent failed to maintain separate records for each  
19 beneficiary or transaction (separate records) for B/A 1, B/A 2, B/A 3, B/A 4, B/A 5, G/A 1, G/A 2,  
20 G/A 3, G/A 4, and G/A 5, in violation of Code section 10145 and Regulation 2831.1.

21 53. Respondent failed to maintain the separate records for the receipts and  
22 disbursements of EMD trust funds collected from buyers for the purchase of properties and  
23 handled through B/A 1 and B/A 2, in connection with Respondent's real estate sales activities.  
24 Respondent failed to maintain separate records indicating online transfers between Respondent's

1 trust fund bank accounts (B/A 1 and B/A 2) to Respondent's property management trust fund  
2 bank accounts (B/A 3, B/A 4, and B/A 5) and Respondent's general operating accounts (G/A 1,  
3 G/A 2, G/A 3, G/A 4, and G/A 5).

4 54. Respondent failed to maintain accurate and complete separate records for the  
5 receipts and disbursements of trust funds for B/A 3, B/A 4, and B/A 5, in connection with  
6 Respondent's property management activities. The separate records provided by Respondent  
7 failed to include the date trust funds were deposited and some of the receipts, deposits, and  
8 disbursements were not recorded. In addition, Respondent failed to maintain separate records  
9 indicating online transfers from Respondent's property management trust fund bank accounts  
10 (B/A 3, B/A 4, and B/A 5) to Respondent's real estate sales trust fund bank accounts (B/A 1 and  
11 B/A 2) and to Respondent's general operating accounts (G/A 1, G/A 2, G/A 3, G/A 4, and G/A  
12 5).

13 Issue Five (5). Code section 10145 and Regulation 2831.2 / Trust account reconciliation

14 55. During the audit period, Respondent failed to perform or maintain accurate  
15 monthly reconciliations comparing the balance of all separate beneficiary or transaction records  
16 (separate records) to the balance of all trust funds received and disbursed (control record) for  
17 B/A 1, B/A 2, B/A 3, B/A 4, B/A 5, G/A 1, G/A 2, G/A 3, G/A 4, and G/A 5, in violation of  
18 Code section 10145 and Regulation 2831.2. Moreover, Respondent did not provide monthly  
19 reconciliation records during the audit examination.

20 Issue Six (6). Code section 10145 and Regulation 2832 / Trust fund handling

21 56. During the audit period, Respondent used B/A 1, B/A 2, B/A 3, B/A 4, B/A 5,  
22 G/A 1, G/A 2, G/A 3, G/A 4, and G/A 5 for receipt and disbursement of trust funds. The afore-  
23 mentioned bank accounts were not designated as trust accounts in Respondent's name or  
24

1 Respondent's then-licensed fictitious business names, as trustee, in violation of Code section  
2 10145 and Regulation 2832.

3 57. Instead, the afore-mentioned bank accounts were named as follows: B/A 1 was in  
4 the name of "Adept Builder LLC DBA AE Builder Escrow"; B/A 2 was in the name of "Adept  
5 Builder LLC"; B/A 3 was in the name of "LCP Living Trust"; B/A 4 was in the name of "Adept  
6 Builder LLC"; B/A 5 was in the name of "Adept Builder LLC"; G/A 1 was in the name of  
7 "Adept Builder LLC DBA AE Builder"; G/A 2 was in the name of "LCP Living Trust Laura C  
8 Preciado Trtee John Christopher Larson Trtee 4/26/2016"; G/A 3 and G/A 4 were in the name of  
9 "Adept Builder LLC"; and G/A 5 was in the name of "OCG Enterprises Inc."

10 58. EMDS and property management rent receipts collected by Respondent were  
11 sometimes deposited into Respondent's general operating accounts (G/A 1, G/A 2, G/A 3,  
12 G/A 4, and G/A 5) and commingled with Respondent's operating funds. During the audit  
13 examination, Respondent only provided the bank signature cards for B/A 2, B/A 5, G/A 3, G/A  
14 4, and G/A 5.

15 Issue Seven (7). Code section 10145 and Regulation 2834. / Trust account withdrawals

16 59. During the audit period trust funds collected in connection with Respondent's real  
17 estate sales and property management activities were deposited and handled through  
18 Respondent's general operating accounts (G/A 1, G/A 2, G/A 3, G/A 4, and G/A 5) and  
19 commingled with Respondent's operating funds, in violation of Code section 10145 and  
20 Regulation 2834.

21 60. Based on the bank signature card for G/A 2 provided by Bank of America, John  
22 Christopher Larson, Respondent's partner/non-licensee, was authorized as a signor on G/A 2  
23 during the audit period.  
24

1           61.     Elizabeth Larson sent emails and communications to prospective buyers on behalf  
2 of the “Escrow Division” of Adept Builder LLC Asset Management Co.”

3 Issue Eight (8). Code sections 10145, 10176(e), and Regulation 2832 / Trust fund handling/  
4 Commingling – Trust funds in Respondent’s personal accounts

5           62.     During the audit period, EMD and property management rent receipts collected  
6 by Respondent were sometimes deposited into Respondent’s general operating accounts (G/A 1,  
7 G/A 2, G/A 3, G/A 4, and G/A 5) and commingled with Respondent’s operating funds in  
8 Respondent’s general operating accounts, in violation of Code sections 10145 and 10176(e) and  
9 Regulation 2832.

10          63.     During the audit period, Respondent commingled her personal funds into B/A 3,  
11 B/A 4, and B/A 5. During the course of the audit examination, the Department’s auditor  
12 requested from Respondent a running balance of personal funds held in Respondent’s bank  
13 accounts for B/A 3, B/A 4, and B/A 5, and for Respondent’s general operating accounts (G/A 1,  
14 G/A 2, G/A 3, G/A 4, and G/A 5). Respondent did not provide the auditor with a list and the  
15 auditor could not determine whether Respondent removed her personal funds in Respondent’s  
16 property management accounts (B/A 3, B/A 4, and B/A 5) and Respondent’s general operating  
17 accounts (G/A 1, G/A 2, G/A 3, G/A 4, and G/A 5).

18          64.     During the audit period, Respondent shared a rental property with Corrina  
19 Benavides (Benavides), and Yanet Galindo (Galindo). Based on examination of bank records for  
20 B/A 3, Respondent paid her personal rent, in addition to Benavides’ and Galindo’s portions of  
21 the rent with trust funds collected from B/A 3. According to Respondent, Galindo issued  
22 personal checks payable to Respondent, “AE Builder” or “Adept Builder” to reimburse  
23 Respondent for Galindo’s portion of the rent. Respondent commingled personal funds with trust  
24

1 funds collected for Respondent's real estate sales and property management activities in B/A 4,  
2 B/A 5, G/A 1, G/A 2, G/A 3, G/A 4, and G/A 5.

3 65. During the audit period, Respondent also received reimbursement or personal  
4 funds from different companies and from the government which were commingled with trust  
5 funds collected for Respondent's property management activities in G/A , B/A 4, and B/A 5.

6 66. Examples of commingled funds include, but are not limited to, the following:

<u>Deposit Date</u>	<u>Account</u>	<u>Payee</u>	<u>Paid by</u>	<u>Memo</u>	<u>Amount</u>
5/6/2016	G/A 2	Respondent	Target Corp.		\$69.50
8/15/2016	B/A 4	Respondent	US Treasury	Tax refund	\$200.00
1/1/2018	B/A 5	Adept Builder LLC	State of CA		\$400.00

11  
12 67. During the audit period, Respondent received commission checks or funds from a  
13 minimum of three (3) escrow companies. Respondent deposited her personal funds in G/A 1,  
14 B/A 3, and B/A 4, which were commingled with trust funds in those accounts.

15 68. Examples of the commingled funds include, without limitation, the following:

<u>Deposit Date</u>	<u>Account</u>	<u>Payee</u>	<u>Paid by</u>	<u>Escrow no.</u>	<u>Amount</u>
2/7/2017	G/A 1	AE Builder	Embassy Escrow	1484-TG	\$15,000
5/9/2016	B/A 3	AE Builder LLC	Glen Oaks	127411-JI	\$5,077.50
5/31/2016	B/A 4	AE Builder	Keller Williams Realty Trust Account	1260-KDC	\$13,945

1 Issue Nine (9). Code sections 10145, 10176(i) or 10177(j) / Handling of trust funds/

2 Unauthorized disbursements / Dishonest Dealing/Conversion of Funds

3 69. During the audit period, Respondent made unauthorized disbursements and  
4 converted EMDS and property management trust funds that were deposited into B/A 1 and  
5 B/A 2. Furthermore, Respondent made unauthorized disbursements to G/A 1, G/A 2, G/A 3,  
6 G/A 4, G/A 5, B/A 3, B/A 4, and B/A 5 from B/A 1 and B/A 2, and converted trust funds. Said  
7 acts are in violation of Code sections 10145, 10176(i) or 10177(j).

8 B/A 1 & B/A 2- Bank accounts used for handling EMDS collected from buyers in connection  
9 with the purchase of properties (LA 170132)

10 70. Based on an examination of bank statements for B/A 1 and B/A 4, Respondent  
11 transferred EMD trust funds into B/A 4 for unauthorized property management disbursements  
12 and converted EMD funds for personal expenses from January 1, 2016 through March 31, 2017.  
13 An examination of the bank records for B/A 1 and B/A 2 showed that Respondent made  
14 unauthorized disbursements of EMD refunds owed to buyers from whom Respondent had  
15 collected EMD trust funds and deposited EMDS in B/A 1. Respondent paid the EMD refunds  
16 owed to earlier buyers with new EMD trust funds collected from new buyers whose EMDS were  
17 deposited into B/A 2.

18 71. Based on an examination of bank statements, the following list includes, without  
19 limitation, the minimum unauthorized disbursements of EMD trust funds deposited into B/A 1  
20 and B/A 2, which were used for Respondent's personal and business expenses:

- 21 • <\$27,457.74> minimum unauthorized disbursements/conversion of trust funds in  
22 B/A 2 as of January 31, 2018.
- 23 • <\$277,223.00> minimum unauthorized disbursements made from B/A 2 to B/A 5  
24 and conversion of trust funds in B/A 5 as of January 31, 2018.



- 1 • <\$95,214.05> minimum unauthorized disbursements made from B/A 1 to B/A 4  
and conversion of trust funds in B/A 4 as of January 31, 2018.
- 2
- 3 • <\$12,128.62> minimum unauthorized disbursements/conversion of trust funds in  
B/A 1 as of March 31, 2017.
- 4
- 5 • <\$33,867.12> minimum unauthorized disbursements made from B/A 1 to G/A 1  
and conversion of trust funds in G/A 1 as of March 31, 2017.
- 6
- 7 • <\$124,520.26> minimum unauthorized disbursements made from B/A 1 to B/A 4  
and conversion of trust funds in B/A 4 as of March 31, 2017.
- 8
- 9 • <\$4,335.00> minimum unauthorized disbursements made from B/A 1 to B/A 3  
and conversion of trust funds in B/A 3 as of March 31, 2017.

9 B/A 3, B/A 4, B/A 5, G/A 1, G/A 2, G/A 3, G/A 4, and G/A 5- Bank accounts and general  
 10 operating accounts used for handling trust funds in connection with Respondent's property  
 11 management receipts and disbursements (LA 170168)

12 72. Based on an examination of bank statements, Respondent made unauthorized  
 13 disbursements from B/A 3, B/A 4, and B/A 5 with property management funds collected and  
 14 deposited into B/A 1, B/A 2, G/A 1, G/A 2, G/A 3, G/A 4, and G/A 5. Respondent also  
 15 transferred EMD trust funds from B/A 1 and B/A 2, and EMD and property management trust  
 16 funds which were held in G/A 1, G/A 2, G/A 3, G/A 4, and G/A 5, into B/A 3, B/A 4, and B/A 5.  
 17 Respondent converted the trust funds held in B/A 3, B/A 4, and B/A 5 for personal and business  
 18 expenses.

19 73. Based on an examination of bank statements, the following list includes, without  
 20 limitation, the minimum unauthorized disbursements of property management trust funds  
 21 deposited into B/A 3, B/A 4, and B/A 5, which were used for Respondent's personal and  
 22 business s expenses:

- 23 • <\$8,231.31> minimum unauthorized disbursements made from B/A 3 and B/A 5  
to G/A 2 and conversion of trust funds in G/A 2 as of January 31, 2018.
- 24

- 1 • <\$14,843.32> minimum unauthorized disbursements made from B/A 3 and B/A 5  
2 to G/A 4 and conversion of trust funds in G/A 4 as of January 31, 2018.
- 3 • <\$97,866.00> minimum unauthorized disbursements/conversion of trust funds in  
4 B/A 3 as of January 31, 2018.
- 5 • <\$6,935.36> minimum unauthorized disbursements/conversion of trust funds in  
6 B/A 5 as of January 31, 2018.
- 7 • <\$7,721.03> minimum unauthorized disbursements/conversion of trust funds in  
8 B/A 4 as of March 31, 2017.
- 9 • <\$7,955.03> minimum unauthorized disbursements made from B/A 4 to G/A 1  
10 and conversion of trust funds in G/A 1 as of March 31, 2017.

9 Conversion of trust funds in B/A 3

10 74. From March of 2016 through January of 2018, Respondent converted trust funds  
11 totaling a minimum of <\$156,280.76> by paying for her own personal expenses from B/A 3.

12 Examples of Respondent's personal expenses paid from B/A 3 include, but are not limited to, the  
13 following:

- 14 • Payroll paid to Gina Pesquera and Mirella Kourly
- 15 • Payments for Respondent's personal rent
- 16 • Gas/market/restaurant/shopping/health expenses/cell phone/cable/credit card payments
- 17 • Loan payments to "LSW"

17 Conversion of trust funds in B/A 4

18 75. From January of 2016 through January of 2017, Respondent converted trust funds  
19 totaling a minimum of <\$283,626.01> by paying for her own personal expenses from B/A 4.

20 Examples of Respondent's personal expenses paid from B/A 4 include, but are not limited to, the  
21 following:

- 22 • Payroll paid to Monica Nuques, Patricia Encinas, Mirella Kourly, and "Wells Fargo:  
23 Payroll"
- 24 • Payments for Respondent's personal rent
- Gas/market/restaurant/shopping/retail/entertainment/health expenses/credit card/cable  
payments

- Checks to Galindo
- Check to Manuel Preciado for \$28,251.27 (Check # 209 disbursed on 5/6/2016)
- Check to John Larson for \$57,257.00 (Check #254 disbursed on 6/8/2016)
- Cash withdrawals

Conversion of trust funds in B/A 5

76. From May of 2017 through September of 2017, Respondent converted trust funds by paying for her own personal expenses from B/A 5. Examples of Respondent's personal expenses paid from B/A 5 include, but are not limited to, the following:

- Payroll paid to Monica Nuques, Patricia Encinas, Raymond Raul Castaneda, and Benavides
- Gas/market/restaurant/shopping/retail/health expenses

Conversion of trust funds in G/A 1

77. From January of 2017 through December of 2017, Respondent converted trust funds totaling a minimum of <\$66,335.81> by paying for her own personal expenses from G/A 1. Examples of Respondent's personal expenses paid from G/A 1 include, but are not limited to, the following:

- Payroll paid to Monica Nuques, Patricia Encinas, Raymond Raul Castaneda, and Benavides
- Payments for Respondent's personal rent
- Gas/market/restaurant/shopping/retail/health expenses

Conversion of trust funds in G/A 2

78. From January of 2016 through January of 2018, Respondent converted trust funds totaling a minimum of <\$76,765.28> by paying for her own personal expenses from G/A 2. Examples of Respondent's personal expenses paid from G/A 2 include, but are not limited to, the following:

- Expenses for trip to Las Vegas, Nevada (hotel, shopping, entertainment, restaurants)
- Auto/gas/market/restaurant/shopping/retail/health expenses
- Payroll paid to Gina Pesquera
- Transfers to Respondent's other accounts

1 Conversion of trust funds in G/A 3

2 79. From March of 2017 through January of 2018, Respondent converted trust funds  
3 totaling a minimum of <\$35,044.79> by paying for her own personal expenses from  
4 G/A 3. Examples of Respondent's personal expenses paid from G/A 3 include, but are not  
5 limited to, the following:

- 6 • Expenses for trip to San Francisco, California (restaurants, entertainment)
- 7 • Cash withdrawals
- 8 • Market/restaurant/shopping/retail/health expenses
- 9 • Payroll paid to Monica Nuques, Raul Raymond Castaneda, Patricia Encinas and Benavides
- 10 • Business expenses (Staples, Appfolio)

10 Conversion of trust funds in G/A 4

11 80. From June of 2017 through July of 2017, Respondent converted trust funds  
12 totaling a minimum of <\$44,134.84> by paying for her own personal expenses from  
13 G/A 4. Examples of Respondent's personal expenses paid from G/A 4 include, but are not  
14 limited to, the following:

- 15 • Rent payments for business (Sunny Hill Business)
- 16 • Expenses for trip to Las Vegas, Nevada (taxi, restaurants, entertainment)
- 17 • Car payments for Respondent's sister, Sandra J. Preciado
- 18 • Gym membership/market/restaurant/shopping/cable/cell phone/groceries

18 Unauthorized disbursements of trust funds in B/A 3, B/A 4, and G/A 2

19 81. During the audit period, Respondent made unauthorized disbursements from  
20 B/A 3, B/A 4, and G/A 2, for the following:

21 <u>Date</u>	<u>Payee</u>	<u>Check/Withdrawal</u>	<u>Bank Account</u>	<u>Disbursed Amount</u>
22 5/6/2016	Manuel Preciado	209	G/A 4	\$28,251.27
23 6/1/2016	John Larson	254	B/A 4	\$57,257.00
24 8/10/2017	OCG (A/C # 5818)	withdrawal	B/A 3	\$54,010.00

1            Issue Ten (10). Code section 10176(a) / Misrepresentation/Dishonest Dealing

2            82.        Based on the sales transaction files submitted to the Department and records  
3 provided by Respondent to the Department's auditor, Respondent mislead and misrepresented to  
4 prospective buyers that their offer was the only offer accepted by the seller and misrepresented to  
5 the buyers and sellers that Respondent performed in-house broker escrow services. Respondent  
6 listed the properties and received multiple offers from different buyers.

7            83.        An examination of Respondent's sales transaction files showed that multiple  
8 offers were received and accepted by the sellers. Once accepted, Respondent would request  
9 buyers to pay their EMD to Respondent's "escrow division" named "AE Builder Escrow," "AE  
10 Escrow," or "AE Builder." However, Respondent failed to provide records to the Department's  
11 auditor, to show that any in-house escrow transactions took place or closed. Respondent issued  
12 "cancellation instructions" to some of the buyers but there was no evidence that broker escrow  
13 activities were conducted by Respondent during the audit period.

14            84.        An examination of 124 sales transaction files provided by Respondent showed  
15 that a majority of the sellers signed sales transactions electronically by DocuSign. In some of the  
16 files examined, the sellers signed the documents by hand and the manual signatures differed  
17 from the electronic signatures. The Department's auditor was unable to determine if the sellers  
18 actually signed the sales transaction file documents and whether Respondent actually had  
19 authorization to list the properties for sale, due to Respondent's failure to provide some  
20 documents requested for the audit. The conduct, acts, and/or omissions described above are in  
21 violation of Code section 10176, subdivision (a).

22  
23  
24

1 85. Examples of misrepresentations made in transactions include, but are not limited  
2 to, the following:

<u>Property</u>	<u>Buyer</u>
26065 Westridge Ave., Sun City	B.P. <sup>3</sup>
10023 Cherry Ave., Cherry Valley	J.Q. & B.B.
14683 Juniper St., Hesperia	E.I.
13722 Dodie Ave., Victorville	S.A.
13722 Dodie Ave., Victorville	A.A. & I.A.
13722 Dodie Ave., Victorville	M.P.D.
13722 Dodie Ave., Victorville	B.O.
22389 Scotia Ln., Moreno Valley	VCBI
22389 Scotia Ln., Moreno Valley	V.D.G
22389 Scotia Ln., Moreno Valley	Valer LLC

9 Issue Eleven (11). Code section 10176(f) / Exclusive Listing Agreement – Definite Termination

10 Date

11 86. During the audit period, Respondent maintained listing agreements for real estate  
12 sales activities. The exclusive listing agreements maintained by Respondent failed to state a  
13 definite, specific date of final and complete termination, in violation of Code section 10176,  
14 subdivision (f).

15 87. Examples of the listing agreements include, but are not limited to, the following:

<u>Property</u>	<u>Seller</u>
13722 Dodie Ave., Victorville	J.L. & S.L.
14863 Juniper St., Hesperia	L.P. & D.P.
1543 Turquesa Dr., San Jacinto	J.R.S. & S.L.S.
38264 Marinus Way, Palmdale	D.K.C.
2055 E. Kettering St., Lancaster (2 separate listing agreements were 19 provided by Respondent)	T.K.

20

21

22

23

24 <sup>3</sup> Initials are used in place of individuals' full names to protect their privacy. Documents containing individuals' full names will be provided during the discovery phase of this case to Respondent(s) and/or their attorneys, after service of a timely and proper request for discovery on Complainant's counsel.

1 Issue Twelve (12). Code section 10159.5 and Regulation 2731 / Use of unlicensed false of  
2 fictitious names

3 88. Respondent conducted real estate sales and property management activities using  
4 fictitious names without first obtaining from the Department, a license bearing such fictitious  
5 names, in violation of Code section 10159.5 and Regulation 2731. During the audit period,  
6 Respondent conducted real estate sales and property management activities using the following  
7 unlicensed fictitious names: "Adept Builder, LLC," "AE Builder Escrow", and "OCG  
8 Enterprises, Inc." Respondent failed to obtain from the Department, a license bearing the  
9 fictitious names. Respondent also conducted real estate activities using the unlicensed fictitious  
10 name "AE Builder" without first obtaining from the Department, a license bearing such fictitious  
11 name.

12 89. In addition, during the period from January 1, 2016 through December 10, 2017,  
13 Respondent conducted property management activities using the unlicensed fictitious name "AE  
14 Management" without first obtaining from the Department, a license bearing such fictitious  
15 name. The fictitious name of "AE Management" was licensed by the Department effective  
16 December 11, 2017.

17 Issue Thirteen (13). Code section 10148 / Retention of records

18 90. Respondent failed to retain records in connection with her real estate sales,  
19 alleged broker escrow, and property management activities, which were subpoenaed by the  
20 Department for an audit examination, in violation of Code section 10148.

21 Issue Fourteen (14). Code sections 10159.2, 10177(h), and Regulation 2725 / Broker  
22 supervision.

23 91. Respondent failed to adequately supervise the activities of Respondent's  
24 salespersons, employees, or agents and failed to establish policies, rules, procedures, and systems

1 to review, oversee, inspect, and manage transactions requiring a real estate license and the  
2 handling of trust funds to ensure compliance with the Real Estate Law and Regulations, in  
3 violation of Code sections 10159.2, 10177(h), and Regulation 2725.

4 FIRST CAUSE OF ACCUSATION

5 92. Respondent's conduct as described above in Paragraphs 40 through 91, violated  
6 the Code and the Regulations as set forth below:

<u>ISSUE NO.</u>	<u>PARAGRAPHS</u>	<u>PROVISIONS VIOLATED</u>	
1	40-47	Code section 10145 and Regulation 2832.1	
8	3	48-51	Code section 10145 and Regulation 2831
	4	52-54	Code section 10145 and Regulation 2831.1
9	5	55	Code section 10145 and Regulation 2831.2
	6	56-58	Code section 10145 and Regulation 2832
10	7	59-61	Code section 10145 and Regulation 2834
	8	62-68	Code sections 10145, 10176(e), and Regulation 2832
11	9	69-81	Code sections 10145, 10176(i) or 10177(j)
	10	82-85	Code section 10176(a)
12	11	86-87	Code section 10176(f)
	12	88-89	Code section 10159.5 and Regulation 2731
13	13	90	Code section 10148
14	14	91	Code sections 10159.2, 10177(h), and Regulation 2725

15 93. The foregoing violations constitute cause for the suspension or revocation of  
16 Respondent's real estate licenses, license rights, and MLO license endorsements under the  
17 provisions of Code sections 10177(d), 10176(a), 10176(e), 10176(f), 10176(i) or 10177(j),  
18 10177(h), and/or 10177(g).

19 Issue Two

20 94. In the audit report for LA 170132 & LA 170168, the Department's auditor  
21 addresses Issue Two without citing additional violations. Based on complaints that were  
22 submitted to the Department, it was alleged that Respondent had mislead buyers into believing  
23 that the sale of properties was contingent on the trustee's approval for Chapter 11 bankruptcy,  
24 mishandled trust funds in connection to said properties, did not return trust funds to buyers in a



1 timely manner, and misrepresented herself as a non-independent broker escrow company  
2 handling sales transactions for buyers and sellers.

3 95. Based on the documents provided by Respondent to the Department's auditor for  
4 the audit examination, Respondent performed residential resale activity, representing both buyers  
5 and sellers and collected EMDS from a minimum of one hundred fifty eight (158) different  
6 buyers for the purchase of a minimum of twenty-three (23) properties listed by Respondent  
7 during the audit period of January 1, 2016 to January 31, 2018.

8 96. Based on an examination of bank records for Respondent's bank accounts (B/A 1-  
9 B/A 5, and G/A 1 - G/A 5), Respondent collected a minimum of \$1,050,810 in EMDS for the  
10 purchase of properties during January 1, 2017 through January 31, 2018. As of January 31,  
11 2018, only \$643,215 was refunded/disbursed back to buyers. Respondent used the remaining  
12 trust fund balances collected and deposited into B/A 1 and B/A 2 totaling \$407,595 to make  
13 unauthorized disbursements and transfers to Respondent's property management bank accounts  
14 (B/A 3, B/A 4, and B/A 5) and Respondent's general operating accounts. Respondent also made  
15 unauthorized property management disbursements in B/A 2.

16 97. Respondent issued EMD refunds to earlier buyers using EMDS collected from  
17 new buyers who made offers on other properties. Respondent collected new trust funds and  
18 deposited the funds into B/A 2 and A/C #5090. The trust funds were handled through B/A 2,  
19 B/A 5, G/A 4, and A/C #5090 after the audit cut-off date of January 31, 2018.

20 98. Based on the examination of bank records, provided by Respondent, for the  
21 period from February 1, 2018 through July 31, 2018, Respondent continued to collect new trust  
22 funds and issued refunds to earlier buyers for their EMDS received after the audit cut-off date of  
23 January 31, 2018. Not all of the bank records requested were provided to the Department's  
24 auditor.

1 99. Examples of the Respondent's collection of trust funds through alleged broker  
 2 escrow activities include, without limitation, the following:

<u>Property</u>	<u>Seller</u>	<u>Buyer</u>	<u>Deposit Date</u>	<u>EMD</u>
14863 Juniper St., Hesperia	L.P. & D.P.	1 J.R.	5/22/2017	\$20,000
14863 Juniper St., Hesperia	"	2 E.I.	5/24/2017	\$15,000
14863 Juniper St., Hesperia	"	3 J.C. & C.C.	5/25/2017	\$3,000
14863 Juniper St., Hesperia	"	4 E.B.C.	5/25/2017	\$4,000
14863 Juniper St., Hesperia	"	5 ELG.	5/30/2017	\$2,000
14863 Juniper St., Hesperia	"	6 F.S.	5/31/2017	\$4,050
14863 Juniper St., Hesperia	"	7 R.G.	6/5/2017	\$4,100
			<b>TOTAL</b>	<b>\$52,150</b>

8 100.

<u>Property</u>	<u>Seller</u>	<u>Buyer</u>	<u>Deposit Date</u>	<u>EMD</u>
1543 Turquesa Dr., San Jacinto	S.S. & J.S.	1 N.P.I.	9/26/2017	\$10,000
1543 Turquesa Dr., San Jacinto	"	2 J.V. & R.M.	9/29/2017	\$10,000
1543 Turquesa Dr., San Jacinto	"	3 C.R.	11/22/2017	\$10,000
			<b>TOTAL</b>	<b>\$30,000</b>

12 101.

<u>Property</u>	<u>Seller</u>	<u>Buyer</u>	<u>Deposit Date</u>	<u>EMD</u>
2055 E. Kettering St., Lancaster	T.K.	1 A.D.P.	8/29/2017	\$5,000
2055 E. Kettering St., Lancaster	"	2 M.C.G. & ASSOC.	7/25/2017	\$10,000
2055 E. Kettering St., Lancaster	"	3 CVCR	7/25/2017	\$5,000
2055 E. Kettering St., Lancaster	"	4 A.S.C. & V.H.	7/26/2017	\$5,400
2055 E. Kettering St., Lancaster	"	5 N, LLC	7/27/2017	\$5,250
2055 E. Kettering St., Lancaster	"	6 D.H.	7/31/2017	\$5,000
2055 E. Kettering St., Lancaster	"	7 K.L.	7/26/2017	\$4,800
			<b>TOTAL</b>	<b>\$40,450</b>

19 102.

<u>Property</u>	<u>Seller</u>	<u>Buyer</u>	<u>Deposit Date</u>	<u>EMD</u>
38264 Marinus Way, Palmdale	D.K.C.	1 M.J.S.	7/25/2017	\$5,000
38264 Marinus Way, Palmdale	"	2 C.A.V. & G.V.	7/26/2017	\$3,000
38264 Marinus Way, Palmdale	"	3 DRIH, LLC	7/27/2017	\$5,000
38264 Marinus Way, Palmdale	"	4 D.R. & P.S.S.	7/27/2017	\$4,800
			<b>TOTAL</b>	<b>\$17,800</b>

1 103.

<u>Property</u>	<u>Seller</u>	<u>Buyer</u>	<u>Deposit Date</u>	<u>EMD</u>
26065 Westridge Ave., Sun City	R.L.& C.L.	1 M.I. & G.S.	10/19/2017	\$5,850
26065 Westridge Ave., Sun City	""	2 S.C., A.H. & R.L.	10/23/2017	\$5,850
26065 Westridge Ave., Sun City	""	3 T.P.	10/23/2017	\$6,450
26065 Westridge Ave., Sun City	""	4 B.P.	10/24/2017	\$19,500
26065 Westridge Ave., Sun City	""	5 J.M.S. & Z.R.S.	10/26/2017	\$7,200
26065 Westridge Ave., Sun City	""	6 Y.S. & J.J.	10/27/2017	\$5,100
26065 Westridge Ave., Sun City	""	7 R.C.	10/30/2017	\$6,000
26065 Westridge Ave., Sun City	""	8 S.V. & J.G.V., Jr.	11/01/2017	\$10,000
26065 Westridge Ave., Sun City	""	9 A.R.R.	11/06/2017	\$5,850
26065 Westridge Ave., Sun City	""	10 B.U.L.	11/24/2017	\$5,000
			<b>TOTAL</b>	<b>\$76,800</b>

10 104.

<u>Property</u>	<u>Seller</u>	<u>Buyer</u>	<u>Deposit Date</u>	<u>EMD</u>
6812 Woodmere Dr., Riverside	C.E.	1 M.C. & L.C.	11/16/2016	\$5,000
6812 Woodmere Dr., Riverside	""	2 W.C.R.S.	11/17/2016	\$5,000
6812 Woodmere Dr., Riverside	""	3 C.M.P.	11/21/2016	\$10,000
6812 Woodmere Dr., Riverside	""	4 M.R.E.C., LLC	11/21/2016	\$5,000
6812 Woodmere Dr., Riverside	""	5 F.T.J.F.	11/21/2016	\$5,000
6812 Woodmere Dr., Riverside	""	6 BKS Trust	11/29/2016	\$5,000
6812 Woodmere Dr., Riverside	""	7 B.S.R., LLC	11/29/2016	\$5,000
6812 Woodmere Dr., Riverside	""	9 T.L.E.	12/01/2016	\$6,270
6812 Woodmere Dr., Riverside	""	9 C.K., LLC	12/22/2016	\$5,250
6812 Woodmere Dr., Riverside	""	10 C, LLC	12/22/2016	\$5,000
6812 Woodmere Dr., Riverside	""	11 T.N.	12/20/2016	\$5,000
6812 Woodmere Dr., Riverside	""	12 P.K & J.S.K.	12/20/2016	\$5,400
6812 Woodmere Dr., Riverside	""	13 J.C.	12/20/2016	\$6,150
6812 Woodmere Dr., Riverside	""	14 K.V. & B.M.V.	12/23/2016	\$5,000
6812 Woodmere Dr., Riverside	""	15 W.E.I.	01/03/2017	\$6,000
6812 Woodmere Dr., Riverside	""	16 Z.B.	01/04/2017	\$5,000
			<b>TOTAL</b>	<b>\$89,070</b>

1 105. Respondent collected trust funds including EMDS from prospective buyers for  
 2 escrow and failed to maintain or provide any sales transactions files for several transactions.  
 3 Examples of missing escrow and sales transaction files not provided by Respondent include, but  
 4 are not limited to, the following:

	<u>Buyer</u>	<u>Property</u>	<u>Seller</u>	<u>Deposit Date</u>	<u>EMD</u>
5	1 S.S. Mgmt. Group	Not provided	Not provided	01/23/2016	\$10,000
6	2 R.L. & C.C.L.	“”	“”	01/24/2016	\$10,000
7	3 SBR, LLC	“”	“”	01/29/2016	\$ 5,000
8	4 K.H.	“”	“”	06/23/2017	\$ 5,000
9	5 C.A.L.	“”	“”	07/03/2017	\$ 5,000
10	6 I.P.	“”	“”	08/11/2017	\$ 5,250
11	7 C.L. 68, LLC	“”	“”	09/26/2017	\$20,000
12	8 S.C., LLC	“”	“”	10/02/2017	\$ 4,275
13	9 G.R.R.	“”	“”	12/14/2017	\$ 4,200
14	10 R.L.P.	“”	“”	01/02/2018	\$10,000
15	11 W.R.J.	“”	“”	01/02/2018	\$10,000
16	12 J.R.	“”	“”	01/22/2018	\$10,000

13 SECOND CAUSE OF ACCUSATION

14 Consumer Complaints

15 Substantial Misrepresentation/Making False Promises/Dishonest Dealing/Fraud

16 106. There is hereby incorporated in this Second, separate, Cause of Accusation, all of  
 17 the allegations contained in Paragraphs 1 through 105, above, with the same force and effect as if  
 18 herein fully set forth.

19 107. Respondent’s scheme of collecting multiple EMDS from different buyers for the  
 20 same property and conversion of property management and EMD trust funds for Respondent’s  
 21 own use, gain, or benefit involved similar acts, conduct, and omissions by Respondent.<sup>4</sup>  
 22 Respondent made substantial misrepresentations, false promises, and engaged in dishonest  
 23 dealing or fraud. Respondent’s scheme involved, but is not limited to, the following facts:  
 24

<sup>4</sup> As described in further detail above in Paragraphs 10-16 and 69-105.

1           108. Respondent (while using unlicensed fictitious business names, including, but not  
2 limited to, "AE Builder", "AE Builder LLC", "Adept Builder LLC", "AE MGMT", "AE Mgmt  
3 Sales & Acquisitions", and "AE Sales and Acquisitions") claimed to be the broker and agent for  
4 sellers of real properties.

5           109. In some transactions, Respondent acted as a dual agent for both the seller and  
6 prospective buyer and induced the buyer to submit an offer on a real property.

7           110. Multiple prospective buyers submitted offers to Respondent for the purchase of  
8 the same real property.

9           111. Respondent would submit a Seller Multiple Counter Offer ("counter offer") to  
10 multiple buyers or the buyers' agents. The counter offers stated similar terms including, but not  
11 limited to, the following:

- 12           • Property to be sold as is, termite clearance will not be provided;
- 13           • Buyer is aware property is tenant occupied and undergoing and [sic] eviction;
- 14           • Property to be vacant on a date certain and buyer to have 3 days to inspect and  
            remove buyer contingencies;
- 15           • Property is to be delivered vacant 5 days prior to the close of escrow;
- 16           • Escrow to be 60 days with AE Builder and Title to be Ticor Title Kim;
- 17           • EMD to be delivered to escrow 1 day from counter acceptance along with agent  
            acknowledgement; and
- EMD is eligible for release Back to buyer should Escrow require an extension, and  
            not close within 60 days.

18           112. Respondent provided various excuses for not allowing interior inspections of the  
19 properties, including alleged, uncooperative tenants facing eviction.

20           113. The buyers would accept the Respondent's counter offer.

21           114. Respondent executed several Residential Purchase Agreements for the purchase  
22 of the same property with different buyers.

23           115. On the purchase agreements, unlicensed persons including Norma Pedroza and  
24 Elizabeth "Liz" Larson were listed as the escrow agent for Respondent's unlicensed,

1 nonproductive escrow companies, including “AE Builder Escrow”, “AE Escrow”, and “Adept  
2 Builder LLC Asset Management Co.”, among others.

3 116. Respondent instructed multiple buyers to wire their EMDS for the same property  
4 to Respondent’s bank accounts.

5 117. Without knowing that other buyers’ offers had also been accepted by Respondent,  
6 multiple buyers wired EMDS for the same property to Respondent’s bank accounts.

7 118. Respondent would provide various excuses for delays in closing of the  
8 transactions and for failure to provide escrow documents to the buyers including, but not limited  
9 to, escrow instructions or a title report.

10 119. Some buyers submitted a Notice to Seller to Perform which were not complied  
11 with by Respondent or the seller.

12 120. Some buyers discovered that Respondent had also accepted offers and collected  
13 EMDS from other buyers for the same property.

14 121. In some transactions, the buyer’s agent discovered that the property had been  
15 foreclosed and that Respondent had failed to inform the buyer’s agent of the foreclosure despite  
16 repeated requests for updates on the status from the buyer’s agent.

17 122. In some transactions, Respondent sent an email to the buyer or buyer’s agent  
18 stating that escrow needed to be canceled. Respondent often repeatedly promised to return  
19 EMDS to buyers.

20 123. After waiting several weeks or months for their transactions to close with no  
21 actual progress or close of escrow, buyers exercised their right for cancellation of the contract,  
22 demand for release of deposit, and cancellation of escrow from Respondent.

23

24

1           124. Respondent failed to timely return EMDS to some buyers or failed to return the  
2 complete or entire amount of other buyers' EMDS, despite repeated demands from buyers for  
3 return of their deposits.

4           125. In some transactions, Respondent refused to refund the EMD to a buyer unless the  
5 buyer signed a release of liability.

6           126. In some transactions, Respondent falsely informed the buyers that a check for the  
7 refund of the buyer's EMD had been mailed to the buyer when, in fact, Respondent never mailed  
8 the refund payment to the buyer.

9           127. In some transactions, Respondent would send a check to the buyer from one of  
10 Respondent's bank accounts and then placed a stop payment on the check.

11           128. In some transactions, Respondent issued a check from one of her bank account's  
12 to the buyer as a refund of the buyer's EMD. The check was returned for insufficient funds and  
13 the buyer was charged a returned check fee by the buyer's bank.

14           129. Respondent's misconduct described above includes, but is not limited to, the  
15 following transactions:

<u>EMD Date</u>	<u>Property Address</u>	<u>Seller</u>	<u>Buyer</u>	<u>EMD</u>
16 05-13-19	9470 S. Hobart Blvd., Los Angeles	A.S.	AH, LLC	\$5,000
17 05-10-19	9470 S. Hobart Blvd., Los Angeles	A.S.	P.I.	\$10,000
18 04-30-19	2609 Orange St., Riverside	M.A.	J.O.	\$40,000
19 04-30-19	2609 Orange St., Riverside	M.A.	P.Y.	\$5,000
20 04-23-19	2609 Orange St., Riverside	M.A.	ZK, LLC	\$7,500
21 04-22-19	9470 S. Hobart St., Los Angeles	A.S.	J.B.	\$9,500
22 04-19-19	2609 Orange St., Riverside	M.A.	CFF, LLC	\$7,500
23 04-18-19	2609 Orange St., Riverside	M.A.	Y.O.Y.	\$7,500

	<u>EMD Date</u>	<u>Property Address</u>	<u>Seller</u>	<u>Buyer</u>	<u>EMD</u>
1	04-16-19	2609 Orange St., Riverside	M.A.	L.E.I.	0
2	04-15-19	17149 Marin Ct., Fontana	D.A.H.	L.R., M.R.	\$8,850
3	04-08-19	15096 Alyssum Ct., Fontana	W.C.	H.L., Y.Z.	\$9,540
4	04-02-19	15102 S. Raymond Ave., Gardena	D.K.W.	F.P., Y.P.	\$10,000
5	04-01-19	1040 W. 103 <sup>rd</sup> St., Los Angeles	D.W.	E.C. Inc.	\$10,000
6	03-28-19	1040 W. 103 <sup>rd</sup> St., Los Angeles	D.W.	UCD	\$5,000
7	03-22-19	1224 W. 81 <sup>st</sup> St., Los Angeles	R.M.	AH, LLC	\$10,000
8	03-21-19	7021 John Sr., Riverside	C.G.L.	MP, LLC	0
9	03-07-19	1224 W. 81 <sup>st</sup> St., Los Angeles	R.M.	J.A.	\$10,000
10	02-27-19	1224 W. 81 <sup>st</sup> St., Los Angeles	R.M.	A.L.	\$20,000
11	02-26-19	12332 Runnymede St. #1, Hollywood	O.M.	G.L, M.L.	\$9,750
12	02-13-19	717 Juniper St., Hemet	E.W.	FF, LLC	\$5,200
13	02-12-19	717 Juniper St., Hemet	E.W.	R.C., T.C.	\$5,200
14	02-05-19	12332 Runnymede St. #1, Hollywood	O.M.	J.H., E.H.	\$5,000
15	01-25-19	37385 Brutus Way, Riverside	J.Y.	L, LLC	\$10,000
16	01-25-19	11056 Night Shadow Dr., Riverside	D.K.R.	L, LLC	\$10,000
17	01-23-19	11056 Night Shadow Dr., Riverside	D.K.R.	GAZI, Inc.	\$8,500
18	01-22-19	11056 Night Shadow Dr., Riverside	D.K.R.	CPD, Inc.	\$8,500
19	01-07-19	3395 Mulberry St., Riverside	D.B.	RH, LLC	\$9,000
20	12-24-18	5482 Golden West Ave., Riverside	K.L.F.	TREI, LLC	\$7,500
21	12-21-18	5482 Golden West Ave., Riverside	K.L.F.	E.M.	\$9,500
22	12-21-18	5482 Golden West Ave., Riverside	K.L.F.	CC, Inc.	\$9,200
23	12-19-18	5482 Golden West Ave., Riverside	K.L.F.	MPI, LLC	\$10,000



	<u>EMD Date</u>	<u>Property Address</u>	<u>Seller</u>	<u>Buyer</u>	<u>EMD</u>
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2	11-29-18	16424 Welsh Ct., Moreno Valley	M.O.Z.	R.R., M.M.	\$5,500
3	11-27-18	932 W. Poplar, Compton	L.S.	RCDP, LLC	\$10,000
4	11-26-18	2736 E. Harrison St., Corona	T.L.G.	D&Y C	\$9,750
5	10-26-18	12721 Paseo Azul Way, Corona	H.B.	H.J.	\$8,900
6	10-25-18	2736 E. Harrison St., Corona	V.G.	M.M.	\$15,000
7	09-24-18	760 Balsam Ln., Corona	F.N.	W.S.	\$9,500
8	09-12-18	3035 Winter St., Los Angeles	M.V.T.	D.L.	\$11,500
9	09-07-18	3035 Winter St., Los Angeles	M.V.T.	G.N.S.	\$10,500
10	08-16-18	3035 Winter St., Los Angeles	G.M.R. <sup>5</sup>	F.T.	\$12,000
11	07-27-18	760 Balsam Ln., Corona	F.N.	W.T.B.	\$49,000
12	07-20-18	760 Balsam Ln., Corona	F.N.	P.S.	\$10,000
13	06-20-18	1114 Citron St. #59, Anaheim	J.W.L.	SV, LLC	\$9,000
14	06-13-18	253 E. Nicolet St., Banning	M.H.	C28No.8LP	\$10,000
15	05-31-18	3900 Albillo Loop, Perris	J.F.A.	M.F.A.	\$9,500
16	05-31-18	3900 Albillo Loop, Perris	J.F.A.	Y.F. Trust	\$9,500
17	05-31-18	3900 Albillo Loop, Perris	J.F.A.	W.T.	\$9,500
18	05-24-18	28594 Forest Oaks Way, Moreno Valley	M.Y.,T.Y.	M. Corp.	\$15,000
19	05-18-18	28594 Forest Oaks Way, Moreno Valley	M.Y.,T.Y.	E.C.	\$10,000
20	10-24-17	26065 Westridge Ave., Sun City	R.L., C.L.	B.P., J.P.	\$19,500
21	10-23-17	26065 Westridge Ave., Sun City	R.L., C.L.	T.P.	\$6,450
22	10-19-17	26065 Westridge Ave., Sun City	R.L., C.L.	M.I.S., G.S.	\$5,850
23	09-26-17	1543 Turquesa Dr., San Jacinto	S.S., J.S.	N.P.I.	\$10,000
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<sup>5</sup> Seller G.M.R. was deceased prior to seller's electronic signature on purchase agreement dated 8/14/2018.

<u>EMD Date</u>	<u>Property Address</u>	<u>Seller</u>	<u>Buyer</u>	<u>EMD</u>
07-27-17	2055 Kettering St., Lancaster	T.K.	MCG	\$10,000
12-23-16	6812 Woodmere Dr., Riverside	C.E.	K.V.	\$5,000

130. In Case No. 19CF0529 filed before the Superior Court of California, County of Orange, Central Justice Center, Respondent has been charged with violations of approximately 22 felony counts of grand theft related to the real estate fraud scheme described. That criminal case is still pending.

131. In Case No. 19CF1466 filed before the Superior Court of California, County of Orange, Central Justice Center, Respondent has been charged with violations of approximately 25 felony counts of grand theft related to the real estate fraud scheme described above. That criminal case is still pending.

SECOND CAUSE OF ACCUSATION

Substantial Misrepresentation

132. Respondent's conduct, acts and/or omissions as described in further detail in Paragraphs 3 through 129, above, constitute cause for the suspension or revocation of Respondent's real estate licenses, license rights, and MLO license endorsements pursuant to Code section 10176, subdivision (a), (substantial misrepresentation).

THIRD CAUSE OF ACCUSATION

Making False Promises

133. There is hereby incorporated in this Third, separate, Cause of Accusation, all of the allegations contained in Paragraphs 1 through 132, above, with the same force and effect as if herein fully set forth.

134. Respondent's conduct, acts and/or omissions as described in further detail in Paragraphs 3 through 129, above, constitute cause for the suspension or revocation of

1 Respondent's real estate licenses, license rights, and MLO license endorsements pursuant to  
2 Code section 10176, subdivision (b), (making false promise).

3 FOURTH CAUSE OF ACCUSATION

4 Continued & Flagrant Misrepresentations

5 135. There is hereby incorporated in this Fourth, separate, Cause of Accusation, all of  
6 the allegations contained in Paragraphs 1 through 134, above, with the same force and effect as if  
7 herein fully set forth.

8 136. Respondent's conduct, acts and/or omissions as described in further detail in  
9 Paragraphs 3 through 129, above, constitute cause for the suspension or revocation of  
10 Respondent's real estate licenses, license rights, and MLO license endorsements pursuant to  
11 Code section 10176 (c) (continued and flagrant misrepresentations through salespersons or  
12 agents).

13 FIFTH CAUSE OF ACCUSATION

14 Dishonest Dealing/Fraud

15 137. There is hereby incorporated in this Fifth, separate, Cause of Accusation, all of  
16 the allegations contained in Paragraphs 1 through 136, above, with the same force and effect as if  
17 herein fully set forth.

18 138. Respondent's conduct, acts and/or omissions as described in further detail in  
19 Paragraphs 3 through 129, above, constitute cause for the suspension or revocation of  
20 Respondent's real estate licenses, license rights, and MLO license endorsements pursuant to  
21 Code sections 10176, subdivision (i) (fraud or dishonest dealing in licensed capacity) and/or  
22 10177, subdivision (j), (fraud or dishonest dealing).

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SIXTH CAUSE OF ACCUSATION

Failure to obtain license for fictitious business name

139. There is hereby incorporated in this Sixth, separate, Cause of Accusation, all of the allegations contained in Paragraphs 1 through 138, above, with the same force and effect as if herein fully set forth.

140. Respondent's use of unlicensed fictitious business names including, but not limited to, "AE Builder," "AE Builder LLC," "Adept Builder LLC," "Adept Builder LLC Asset Management Co.," "AE Management Sales & Acquisitions," "AE MGMT," "AE Trust," and "AE Mgmt Sales & Acquisitions" in the conduct of activities that require a real estate license, as described in further detail in Paragraphs 7, 57, 88, 89, and 108, above, is a violation of Code sections 10159.5 and Regulation 2731 (failure to obtain a license for fictitious business name) and constitutes grounds for the suspension or revocation of Respondent's real estate license, license rights, and MLO license endorsements pursuant to Code section 10177, subdivision (d) (violation of real estate law or regulations) and/or subdivision (g) (negligence).

SEVENTH CAUSE OF ACCUSATION

Violation of Real Estate Law and Regulations

141. There is hereby incorporated in this Seventh, separate, Cause of Accusation, all of the allegations contained in Paragraphs 1 through 140, above, with the same force and effect as if herein fully set forth.

142. Respondent's conduct, acts and/or omissions as described in further detail in Paragraphs 3 through 129, above, constitute cause for the suspension or revocation of Respondent's real estate licenses, license rights, and MLO license endorsements pursuant to Code section 10177, subdivision (d) (violation of real estate law or regulations).

1 EIGHTH CAUSE OF ACCUSATION

2 Negligence

3 143. There is hereby incorporated in this Eighth, separate, Cause of Accusation, all of  
4 the allegations contained in Paragraphs 1 through 142, above, with the same force and effect as if  
5 herein fully set forth.

6 144. Respondent's conduct, acts and/or omissions as described in further detail in  
7 Paragraphs 3 through 129, above, constitute cause for the suspension or revocation of  
8 Respondent's real estate licenses, license rights, and MLO license endorsements pursuant to  
9 Code section 10177, subdivision (g) (negligence).

10 Investigation and Enforcement Costs

11 145. Code section 10106 provides, in pertinent part, that in any order issued in  
12 resolution of a disciplinary proceeding before the Department of Real Estate, the Commissioner  
13 may request the administrative law judge to direct a licensee found to have committed a violation  
14 of this part to pay a sum not to exceed the reasonable costs of the investigation and enforcement  
15 of the case.

16 Audit Costs

17 146. Code section 10148(b) provides, in pertinent part, that the Commissioner shall  
18 charge a real estate broker for the cost of any audit, if the Commissioner has found in a final  
19 decision following a disciplinary hearing that the broker has violated Code section 10145 or a  
20 regulation or rule of the Commissioner interpreting said section.

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1           WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this  
2 Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action  
3 against all licenses and/or license rights of Respondent LAURA CHRISTINA PRECIADO under  
4 the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code), for the cost of  
5 investigation and enforcement as permitted by law, and for such other and further relief as may  
6 be proper under other provisions of law.

7           Dated at Los Angeles, California this 24<sup>th</sup> day of September, 2019.

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9   
10 MARIA SUAREZ  
11 Supervising Special Investigator

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13 cc:   Laura Christina Preciado  
14       Maria Suarez  
15       Audits/Shirley Xie  
16       Sacto.  
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