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FILED

DEC - 9 2020

DEPT. OF REAL ESTATE

Call Below

8
9 BEFORE THE DEPARTMENT OF REAL ESTATE
10 STATE OF CALIFORNIA

11 * * *

12 In the Matter of the Accusation of) No. H-⁴1848 LA
13 LUIS ALBERTO ARAYA,)
14)
15 Respondent.) ACCUSATION

16 The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the
17 State of California, for cause of Accusation against LUIS ALBERTO ARAYA ("Respondent")
18 alleges as follows:

19 1.

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

22 2.

23 All references to the "Code" are to the Real Estate Law, Part 1 of Division 4 of
24 the California Business and Professions Code.

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27 //

1 LICENSE HISTORY

2 3.

3 a. Respondent LUIS ALBERTO ARAYA is presently licensed and/or has
4 license rights under the Code, as a corporate real estate broker, Department of Real Estate
5 (“Department”) license ID 01126066.

6 b. Respondent’s broker license was originally issued on December 28, 1995, and
7 is scheduled to expire on January 13, 2024, unless renewed.

8 c. Respondent currently holds a Mortgage Loan Originator (“MLO”) license
9 endorsement with the Department, National Mortgage Licensing System and Registry
10 (“NMLS”) No. 335268, authorizing Respondent to represent Option Funding Inc., NMLS No.
11 163400, from April 10, 2019, through the present.

12 d. From on or about May 28, 2019, to the present, Respondent has been a broker
13 associate for Option Funding Inc.

14 e. From on or about October 2, 2013, through October 1, 2017, Respondent was
15 the designated officer for J S T Development Corporation, a formerly licensed corporate real
16 estate broker with license ID 01166965. J S T Development Corporation’s broker license
17 expired on October 1, 2017. While licensed from 1993 to 2017, J S T Development
18 Corporation maintained the license fictitious business names “L A S Financial” and “Progreso
19 Realty.”

20 GROUND TO DISPLINE MLO LICENSE ENDORSEMENT

21 4.

22 Section 10166.05 of the Code provides, “Notwithstanding any other provision of
23 law, the commissioner shall not issue a license endorsement to act as a mortgage loan
24 originator to an applicant unless the commissioner makes all of the following findings:

25 ...

26 (c) The applicant has demonstrated such financial responsibility, character, and
27 general fitness as to command the confidence of the community and warrant a determination

1 that the mortgage loan originator will operate honestly, fairly, and efficiently within the
2 purposes of this article.”

3 5.

4 Section 10166.051 of the Code provides, “...the commissioner may do one or
5 more of the following, after appropriate notice and opportunity for hearing:

6 ...

7 (b) Deny, suspend, revoke, condition, or decline to renew a mortgage loan
8 originator license endorsement, if an application or endorsement holder fails at any time to
9 meet the requirements of Section 10166.05 or 10166.09, or withholds information or makes a
10 material misstatement in an application for a license endorsement or license endorsement
11 renewal.”

12 CAUSE FOR ACCUSATION

13 6.

14 On or about August 16, 2017, in Rodney Hopkins v. J.S.T. Development Corp.
15 DBA Las Financial, a California Corporation, et al., Superior Court of California, County of
16 Los Angeles, Case No. LC106082, a civil action was filed against J.S.T. Development Corp.
17 and Respondent for breach of contract, fraud, and damages. As more fully described in the
18 Complaint filed in Case No. LC106082, the plaintiff invested in a Note of Deed of Trust in
19 which defendants were a beneficiary. Defendants repaid plaintiff with a check which was
20 returned Non-Sufficient Funds (“NSF”). Plaintiff alleged defendants breached the agreement
21 by failing to have sufficient funds in their bank account.

22 7.

23 On or about August 9, 2018, in Rodney Hopkins v. J.S.T. Development Corp.
24 DBA Las Financial, a California Corporation, et al., judgement was entered for plaintiff and
25 against defendants J.S.T. Development Corp. and Respondent. Respondent and co-defendant
26 were ordered to pay plaintiff a total of \$35,043.00, which included damages and costs.
27 Respondent and co-defendant have not satisfied the judgement.

8.

The conduct of Respondent, as alleged above, is in violation of Code section 10166.05(c) and is grounds for the suspension or revocation of Respondent's license, MLO license endorsement, and license rights pursuant to the provisions of Code sections 10166.051(b), 10177(d) and/or 10177(g).

COSTS

(INVESTIGATION AND ENFORCEMENT COSTS)

9.

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

WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against all the licenses, MLO endorsement, and/or license rights of Respondent LUIS ALBERTO ARAYA under the Real Estate Law, for the costs of investigation and enforcement as permitted by law and for such other and further relief as may be proper under other applicable provisions of law.

Dated at San Diego, California this 20 day of November, 2020.


Veronica Kilpatrick
Supervising Special Investigator

cc: LUIS ALBERTO ARAYA
Option Funding, Inc.
Veronica Kilpatrick
Sacto.