

1 Department of Real Estate  
2 320 West 4th Street, Suite 350  
3 Los Angeles, California 90013-1105  
4  
5 (213) 576-6982  
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8

**FILED**  
FEB 11 2000  
DEPARTMENT OF REAL ESTATE

By 

9 DEPARTMENT OF REAL ESTATE  
10 STATE OF CALIFORNIA

11 \* \* \* \* \*

|   |                                  |
|---|----------------------------------|
| 11 In the Matter of the Accusation of ) | No. H-27905 LA                   |
| 12 JAIME ALVAREZ, individually and )    | L-1998120120                     |
| 13 dba Alvarez and Associates; )        |                                  |
| 14 MARISELA LABASTIDA; )                | <u>STIPULATION AND AGREEMENT</u> |
| 15 ELENA ANTONIA LABASTIDA and )        |                                  |
| 16 LETICIA EASTLAND, )                  |                                  |
| 17 Respondents. )                       |                                  |

16 It is hereby stipulated by and between JAIME ALVAREZ,  
17 MARISELA LABASTIDA, ELENA ANTONIA LABASTIDA and LETICIA EASTLAND  
18 (referred to as Respondents), acting by and through their attorney,  
19 Frank M. Buda, Esq., and the Complainant, acting by and through  
20 Sean Crahan, Counsel for the Department of Real Estate, as follows  
21 for the purpose of settling and disposing of the Accusation filed  
22 on November 4, 1998 and the First Amended Accusation filed on  
23 April 30, 1999, in this matter:

24 1. All issues which were to be contested and all  
25 evidence which was to be presented by Complainant and Respondent at  
26 a formal hearing on the Accusation, which hearing was to be held in  
27 accordance with the provisions of the Administrative Procedure Act

1 (APA), shall instead and in place thereof be submitted solely on  
2 the basis of the provisions of this Stipulation and Agreement  
3 (hereafter Stipulation).

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

8 3. Respondents filed Notices of Defense on November 19,  
9 1998, pursuant to Section 11506 of the Government Code for the  
10 purpose of requesting a hearing on the allegations in the  
11 Accusation. Respondents hereby freely and voluntarily withdraw  
12 their Notices of Defense. Respondents acknowledge that they  
13 understand that by withdrawing their Notices of Defense, they will  
14 thereby waive their rights to require the Commissioner to prove the  
15 allegations in the First Amended Accusation at a contested hearing  
16 held in accordance with the provisions of the APA and that they  
17 will waive other rights afforded to them in connection with the  
18 hearing such as the right to present evidence in defense of the  
19 allegations in the Accusation and the right to cross-examine  
20 witnesses.

21 4. This Stipulation and Agreement relates to the factual  
22 allegations contained in paragraphs one (1) through twelve (12) in  
23 the First Amended Accusation filed in this proceeding. Respondents  
24 choose not to contest these factual allegations and to remain  
25 silent and understand that, as a result thereof, these factual  
26 allegations, without being admitted or denied, will serve as a  
27 basis for the discipline stipulated to herein. This Stipulation



1 and Agreement and Respondents' decision not to contest the First  
2 Amended Accusation is hereby expressly limited to this proceeding  
3 and made for the sole purpose of reaching an agreed disposition of  
4 this proceeding, only. Respondent's decision not to contest the  
5 factual allegations is made solely for the purpose of effectuating  
6 this Stipulation and is intended by Complainant and Respondent to  
7 be non-binding upon them in any actions against Respondents by  
8 third parties and shall not be deemed, used, or accepted as an  
9 acknowledgement or admission. The Real Estate Commissioner shall  
10 not be required to provide further evidence to prove such  
11 allegations.

12 5. This Stipulation and any Order made pursuant to this  
13 Stipulation shall have no collateral estoppel or res judicata  
14 effect in any proceedings in which the Respondent and the  
15 Department (or the Department's representative) are not parties.  
16 This Stipulation is made by Respondents and received by the  
17 Commissioner and the Department with the express understanding and  
18 agreement that it is for the purpose of settling these proceedings  
19 only, and that this Stipulation is not intended as, and shall not  
20 be deemed, used, or accepted as an acknowledgment or admission of  
21 fact in any other judicial, administrative, or other proceeding to  
22 which the Department is not a party.

23 6. It is understood by the parties that the Real Estate  
24 Commissioner may adopt the Order in this Stipulation as her  
25 Decision in this matter thereby imposing the penalty and sanctions  
26 on Respondents' real estate licenses and/or license rights as set  
27 forth in the below Order. In the event that the Commissioner in



1 her discretion does not adopt this Stipulation and Agreement, this  
2 Stipulation and Agreement shall be void and of no effect, and  
3 Respondents shall retain the right to a hearing and proceeding on  
4 the Accusation under all the provisions of the APA and shall not be  
5 bound by any admission or waiver made herein.

6 7. The Decision or any subsequent Order of the Real  
7 Estate Commissioner made pursuant to this Stipulation shall not  
8 constitute an estoppel, merger or bar to any further administrative  
9 or civil proceedings by the Department of Real Estate with respect  
10 to any matters which were not specifically alleged to be causes for  
11 accusation in this proceeding.

12 DETERMINATION OF ISSUES

13 By reason of the foregoing stipulations and waivers, made  
14 solely for the purpose of settlement of the pending First Amended  
15 Accusation without a hearing, it is stipulated and agreed that the  
16 following Determination of Issues shall be made:

17 The conduct or omissions of Respondents JAIME ALVAREZ,  
18 MARISELA LABASTIDA and ELENA ANTONIA LABASTIDA, as set forth in  
19 paragraphs one (1) through twelve (12) in the First Amended  
20 Accusation constitute cause to suspend or revoke their real estate  
21 broker and salesperson licenses and/or license rights under the  
22 provisions of Code Section 10177(g).

23 ////

24 ////

25 ////

26 ////

27 ////



ORDER

WHEREFORE, THE FOLLOWING ORDER is hereby made:

1.

All licenses and license rights of Respondents JAIME ALVAREZ, MARISELA LABASTIDA and ELENA ANTONIA LABASTIDA under the Real Estate Law are suspended for three hundred sixty five (365) days from the effective date of this Decision.

2.

The Accusation and First Amended Accusation filed against LETICIA EASTLAND are dismissed.

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

DATED: JAN. 7, 2000

Jaime Alvarez  
JAIME ALVAREZ, Respondent

DATED: 1-7-2000

Marisela Labastida  
MARISELA LABASTIDA, Respondent

DATED: 1/7/2000

Elena Antonia Labastida  
ELENA ANTONIA LABASTIDA, Respondent

DATED: 1/7/2000

Frank M. Buda  
FRANK M. BUDA, ESQ., Counsel for  
Respondents Jaime Alvarez,  
Marisela Labastida, Elena Antonia  
Labastida and Leticia Eastland

DATED: 1-7-2000

Sean Crahan  
SEAN CRAHAN, Counsel for  
Complainant

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\* \* \* \* \*

The foregoing Stipulation and Agreement is hereby adopted  
as my Decision as to Respondents JAI ME ALVAREZ, MARISELA LABASTIDA,  
ELENA ANTONIA LABASTIDA and LETICIA EASTLAND and shall become  
effective at 12 o'clock noon on March 2, 2000.

IT IS SO ORDERED, January 24, 2000

PAULA REDDISH ZINNEMANN  
Real Estate Commissioner



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BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

FILE  
AUG 17 1999  
DEPARTMENT OF REAL ESTATE

In the Matter of the Accusation of )

Case No. H-27905 LA )

JAIME ALVAREZ, et al., )

OAH No. L-1998120120 )

By Laura B. Crahan

Respondent.

NOTICE OF HEARING ON ACCUSATION

To the above-named Respondent(s):

You are hereby notified that a hearing will be held before the Department of Real Estate at Office of Administrative Hearings, 320 West Fourth Street, 6th Floor, Suite 630, Los Angeles, California, on JANUARY 10-21, 2000, at the hour of 9:00 a.m., or as soon thereafter as the matter can be heard, upon the Accusation served upon you. If you object to the place of hearing, you must notify the presiding administrative law judge of the Office of Administrative Hearings within ten (10) days after this notice is served upon you. Failure to notify the presiding administrative law judge within ten days will deprive you of a change in the place of hearing.

You may be present at the hearing. You have the right to be represented by an attorney at your own expense. You are not entitled to the appointment of an attorney to represent you at public expense. You are entitled to represent yourself without legal counsel. If you are not present in person nor represented by counsel at the hearing, the Department may take disciplinary action against you based upon any express admission or other evidence including affidavits, without any notice to you.

You may present any relevant evidence and will be given full opportunity to cross-examine all witnesses testifying against you. You are entitled to the issuance of subpoenas to compel the attendance of witnesses and the production of books, documents or other things by applying to the Department of Real Estate.

The hearing shall be conducted in the English language. If you want to offer the testimony of any witness who does not proficiently speak the English language, you must provide your own interpreter and pay his or her costs. The interpreter must be certified in accordance with Sections 11435.30 and 11435.55 of the Government Code.

Dated: AUG 17 1999

DEPARTMENT OF REAL ESTATE

By:

Sean Crahan  
SEAN CRAHAN, Counsel



cc: Jaime Alvarez  
Marisela Labastida  
Letitia Eastland  
Frank M. Buda, Esq., Sacto, OAH

*Sacto  
Sacto*

**FILED**  
AUG 17 1999  
DEPARTMENT OF REAL ESTATE

By *Anna B. Crow*

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

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|                                    |   |                       |
|------------------------------------|---|-----------------------|
| In the Matter of the Accusation of | ) | NO. H-27905 LA        |
|                                    | ) | L-1998120120          |
| JAIME ALVAREZ, individually,       | ) |                       |
| and dba Alvarez and Associates     | ) | NOTICE OF             |
| and MARICELA LABASTIDA; ELENA      | ) | SETTLEMENT CONFERENCE |
| ANTONIA LABASTIDA and LETICIA      | ) |                       |
| EASTLAND,                          | ) |                       |
|                                    | ) |                       |
| Respondents.                       | ) |                       |

YOU ARE HEREBY NOTIFIED that a settlement conference will be held on December 20, 1999 at 1:30 p.m. before an administrative law judge at the Office of Administrative Hearings, 320 West Fourth Street, Suite 630, Los Angeles, California.

DATED: AUG 17 1999

by:

*Sean Crahan*  
SEAN CRAHAN, Counsel  
Department of Real Estate

cc: Frank M. Buda, Esq.  
Sacto.  
OAH

SC:lbo



BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

**FILED**  
MAY 13 1999  
DEPARTMENT OF REAL ESTATE

In the Matter of the Accusation of ) Case No. H-27905 LA  
JAIME ALVAREZ, et al., ) OAH No. L- 1998120120  
Respondents. )

By Jana B. Dume

**NOTICE OF CONTINUED HEARING ON ACCUSATION**

To the above-named Respondent(s):

You are hereby notified that a hearing will be held before the Department of Real Estate at Office of Administrative Hearings, 320 West Fourth Street, Suite 630, Los Angeles, California, on SEPTEMBER 9, 10, 13, 14, 15, 16 & 17, 1999, at the hour of 9:00 a.m. or as soon thereafter as the matter can be heard, upon the Accusation served upon you. If you object to the place of hearing, you must notify the presiding administrative law judge of the Office of Administrative Hearings within ten (10) days after this notice is served upon you. Failure to notify the presiding administrative law judge within ten days will deprive you of a change in the place of hearing.

You may be present at the hearing. You have the right to be represented by an attorney at your own expense. You are not entitled to the appointment of an attorney to represent you at public expense. You are entitled to represent yourself without legal counsel. If you are not present in person nor represented by counsel at the hearing, the Department may take disciplinary action against you based upon any express admission or other evidence including affidavits, without any notice to you.

You may present any relevant evidence and will be given full opportunity to cross-examine all witnesses testifying against you. You are entitled to the issuance of subpoenas to compel the attendance of witnesses and the production of books, documents or other things by applying to the Department of Real Estate.

The hearing shall be conducted in the English language. If you want to offer the testimony of any witness who does not proficiently speak the English language, you must provide your own interpreter and pay his or her costs. The interpreter must be certified in accordance with Sections 11435.30 and 11435.55 of the Government Code.

Dated: MAY 13 1999

DEPARTMENT OF REAL ESTATE

By:

Sean Crahan  
SEAN CRAHAN, Counsel

cc: Jaime Alvarez  
Marisela Labastida  
Elené Antonia Labastida  
Leticia Eastland  
Frank M. Buda, Esq.  
Sacto.  
OAH

2 Sean Crahan, Counsel  
3 State Bar 49351  
4 Department of Real Estate  
5 320 West 4th Street, Suite 350  
6 Los Angeles, California 90013  
7 (213) 576-6982  
8 (213) 576-6907 Direct

FILED  
APR 30 1999  
DEPARTMENT OF REAL ESTATE

By S. Crahan

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\* \* \* \* \*

11 In the Matter of the Accusation of ) L-1998120120  
12 JAIME ALVAREZ, individually and ) H-27905 LA  
13 dba Alvarez and Associates; )  
14 MARISELA LABASTIDA; ) FIRST AMENDED  
15 ELENA ANTONIA LABASTIDA and ) ACCUSATION  
16 LETICIA EASTLAND, )  
17 Respondents. )

18 The Complainant, Thomas McCrady, a Deputy Real Estate  
19 Commissioner of the State of California, for cause of accusation  
20 against JAIME ALVAREZ, individually and doing business as Alvarez  
21 and Associates; MARISELA LABASTIDA; ELENA ANTONIA LABASTIDA and  
22 LETICIA EASTLAND, amends (in underscore) and strikes (~~in strike~~  
23 ~~out~~) portions of the Accusation filed on November 4, 1998, by  
alleging as follows:

24 1.

25 The Complainant, Thomas Mc Crady, a Deputy Real Estate  
26 Commissioner of the State of California, brings this First Amended  
27 Accusation, his official capacity.

LICENSING

2.

JAIIME ALVAREZ (hereafter respondent ALVAREZ) is presently licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the Business and Professions Code (herein "the Code").

(a) At all times mentioned herein, respondent ALVAREZ was and now is licensed by the Department of Real Estate of the State of California (herein "the Department") as a real estate broker, individually and doing business as Alvarez and Associates.

(b) Alvarez and Associates (hereafter A&A) is a partnership, formed on earlier than May 1, 1997, in which respondents JAIIME ALVAREZ and MARISELA LABASTIDA are general partners in equal shares.

(c) At all times herein mentioned, respondents ALVAREZ and MARISELA LABASTIDA directed and controlled the operations of A&A, its agents and employees.

3.

MARISELA LABASTIDA (hereafter respondent M. LABASTIDA) is presently licensed and/or has license rights under the Real Estate Law.

(a) At all times herein mentioned, respondent M. LABASTIDA was licensed by the Department as a real estate broker.

(b) At all times herein mentioned, respondent M. LABASTIDA was acting in conjunction with all respondents herein and on behalf of A&A.

4.

LETICIA EASTLAND (hereafter respondent EASTLAND) is presently licensed and/or has license rights under the Real Estate Law.

(a) At all times mentioned herein, respondent EASTLAND was and now is licensed by the Department as a real estate salesperson.

(b) Respondent EASTLAND was at all times herein mentioned employed by and licensed to respondent ALVAREZ.

5.

ELENA ANTONIA LABASTIDA (hereafter E. A. LABASTIDA) is presently licensed and/or have license rights under the Real Estate Law.

(a) At all times mentioned herein, respondent E. A. LABASTIDA was and now is licensed by the Department as real estate salesperson.

(b) Respondent E. A. LABASTIDA was at all times herein mentioned employed by and licensed to respondent ALVAREZ.

6.

Christina Maria Gordon (hereafter Gordon) was at all times hereinbelow mentioned an escrow officer at Union Escrow, Inc. (hereafter UEI). Gordon was at no time hereinbelow mentioned a real estate licensee. ~~but on February 25, 1997 applied to the Department for a real estate salesperson license.~~

7.

#### CONSPIRACY

(a) Respondents ALVAREZ, M. LABASTIDA, EASTLAND, E.

1 LABASTIDA, and Alvarez & Associates (hereafter A&A), jointly and  
2 severally, UEI and Gordon agreed to engage in the business of  
3 buying and/or and selling real properties, as principals or  
4 agents, for or in expectation of compensation, whereby A&A would  
5 sell real properties to buyers whose down payments or closing costs  
6 to purchase the properties were provided by respondents, or A&A.  
7 and/or UEI. UEI, through its escrow officer Gordon, acted as  
8 escrow agent in the below transactions.

9  
10 (b) Respondents, A&A and Gordon caused or allowed to be  
11 represented to lenders that buyers had deposited specified amounts  
12 as deposits or closing costs toward the purchase of the real  
13 properties.

14 (c) Respondents, A&A, UEI and Gordon concealed from  
15 lenders that the down payments were borrowed, contrary to  
16 statements on buyers' loan applications to lenders that no part of  
17 their down payments were borrowed.

18 (d) In fact, down payments were fictitious, created by  
19 use of cashier's checks deposited into UEI and represented to be  
20 deposits or closing costs by the buyers.

21 (e) Said cashier's checks were purchased by respondents  
22 from funds provided by A&A by respondents.

23 (f) Respondents caused, allowed or permitted the  
24 creation of false gift letters for the purpose of submission of  
25 said gift letters to lenders, knowing said letters would be relied  
26 upon by lenders in making the purchase money loans below.



1 Respondents were aware of said practice at the time it was taking  
2 place in the below mentioned transactions.

3 (g) Pursuant to this agreement, respondents ALVAREZ, M.  
4 LABASTIDA, EASTLAND, and E. A. LABASTIDA, with funds from A&A, or  
5 respondents or UEI, purchased cashier's checks to be deposited into  
6 UEI for credit to the buyers/borrowers.

7 (h) Gordon, as escrow officer for UEI, caused escrows to  
8 be opened and closed, concealing from the lenders that the  
9 borrowers had not placed on deposit the funds which UEI and Gordon  
10 had represented to the lenders as having been deposited by the  
11 buyer/borrowers.

12 (i) Respondents, A&A, UEI and Gordon, together, in  
13 cooperation with each other, jointly and severally, engaged in the  
14 transactions set forth below.

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TRANSACTIONS

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COURT PAPER  
STATE OF CALIFORNIA  
STD. 113 (REV. 3-85)

95 28391

UEI Escrow 13010-CG

3133 and 3133 1/2 Duffy Street

California Capital Loan 096-09994, FHA #046-9446786-729

(a) On or about December 6, 1995, respondent EASTLAND conveyed real property at 3133 and 3133 1/2 Duffy Street, San Bernardino, California (hereafter the Duffy Street property) to A&A. On or about January 16, 1996, A&A, by respondent M. LABASTIDA, as general partner, conveyed the Duffy Street property to Francisco and Arora Chavez and Yolanda Chavez.

(b) On or about November 30, 1995, respondent MARISELA LABASTIDA, on behalf of A & A as seller, entered into a written purchase contract to sell the Duffy Street Property to Francisco and Arora Chavez (buyers) for \$145,000, with \$5,800 down and a \$139,000 new first trust deed loan.

(c) UEI Escrow 13010-C was opened on or about December 6, 1995, for the sale of the Duffy Street property by A&A, (seller) to Francisco and Arora Chavez (buyers) for \$145,000.

(d) On or about January 16, 1996, Gordon closed escrow without having received the cash deposit and other funds from the buyer, as required by the escrow instructions, ~~in violation of Financial Code Section 17414(a)(1) governing the conduct of escrows under the Department of Corporations jurisdiction.~~

(d) Gordon closed escrow 13010-CG without receipt of the required funds from the buyers by engaging in the following activities: ~~in violation of Financial Code Section 17414(a)(2).~~



1 (1) Gordon prepared and sent, or caused to be  
2 prepared and sent, to the lender, receipt number 26408 which  
3 misrepresented that the buyers had deposited the sum of \$10,000  
4 into escrow, including with said receipt a copy of a \$10,000  
5 cashier's check indicating that the buyers had purchased said  
6 check. The receipt was false in that the cashier's check was in  
7 fact purchased by respondent MARISELA LABASTIDA with funds from  
8 A&A. Gordon knew or should have known that the cashier's check was  
9 purchased by seller. The same day Gordon disbursed UEI ETA check  
10 82833 for \$10,000 to A&A pursuant to an instruction dated January  
11 16, 1996 signed by sellers and buyers.

12 (2) Gordon failed to send a copy of that escrow  
13 instruction dated January 16, 1996 to the lender, which had, on  
14 January 11, 1996, instructed UEI to submit complete copies of all  
15 escrow instructions prior to any close of escrow.

16 (3) Gordon prepared and sent, or caused to be  
17 prepared and sent, to the lender, a settlement statement which  
18 overstated the buyer's cash deposit into escrow by \$10,000 and  
19 disguising the \$10,000 disbursement to Alvarez as \$9,800 in  
20 contractor fees and \$200 in escrow fees and further misrepresented  
21 a further disbursement to seller of \$1,018.42 as a buyer refund.

22 (4) The lender, California Capital, relied on each  
23 and every one of the representations regarding the buyer's deposits  
24 and in reasonable reliance therein funded the purchase money loans  
25 to the buyers.

UEI Escrow 1301920-CG

1543, 1545, 1547 North Sepulveda

California Capital Loan 096-10079 FHA Case 046-9463023-729

(a) On or about December 30, 1993, The United States Department of Housing and Urban Development (hereafter HUD) conveyed real property at 1543, 1545, 1547 North Sepulveda, San Bernardino, California, (the 1543 Sepulveda Property) to Hector and respondent MARISELA LABASTIDA. On or about February 9, 1996, Hector and respondent MARISELA LABASTIDA conveyed this property to A&A. On or about February 9, 1996, A&A, by respondent MARISELA LABASTIDA, as general partner, conveyed the property to Roberto Hernandez and Remigo Rivas.

(b) On or about December 15, 1995, respondent MARISELA LABASTIDA, on behalf of A & A as seller, entered into a written purchase contract to sell the 1543 Sepulveda Property to Roberto Hernandez and Remigo Rivas (buyers) for \$129,000., with \$5,160 down and a \$123,840 new first trust deed loan.

(c) UEI Escrow 1301920-CG was opened on or about December 15, 1995, for the sale of 1543, 1545, 1547 North Sepulveda, San Bernardino, California, by A&A (seller) to Roberto Hernandez and Remigo Rivas (buyers) for \$129,000.

(d) Gordon closed escrow 1301920-CG on or about February 9, 1996, without receipt of the funds from the buyers as required by the escrow instructions by engaging in the following activities.

1                   (1) Gordon prepared and sent, or caused to be  
2 prepared and sent, to the lender, receipt Number 26412 which  
3 misrepresented that the buyers had deposited the sum of \$1,000 into  
4 escrow, including with said receipt a copy of a \$1,000 cashier's  
5 check numbered 095799 indicating that the buyer had purchased said  
6 cashier's check. The receipt was false in that the cashier's check  
7 was in fact purchased by respondent JAIME ALVAREZ with funds  
8 provided by an A&A check 9267 signed by respondent ELENA LABASTIDA.  
9 Gordon knew or should have known that the cashier's check was  
10 purchased by seller. That same day Gordon disbursed check 82843  
11 for \$1,000 to A&A. A&A endorsed check 82843 for deposit into UEI  
12 escrow 31020-CG, set forth below.

13                   (2) Gordon prepared or caused to be prepared,  
14 receipt number 26413 which misrepresented that the buyers had  
15 deposited the sum of \$6,500 into escrow., ~~including with said~~  
16 ~~receipt.~~ Gordon delivered to lender a copy of a \$6,500 First  
17 Federal Savings cashier's check 06-003198 payable to Remigo Rivas  
18 which indicated that Celia Nava had purchased said cashier's check.  
19 The receipt was false in that the cashier's check was in fact  
20 purchased by respondent JAIME ALVAREZ with funds provided by an A&A  
21 check 9267 signed by respondent ELENA LABASTIDA with A&A's funds.  
22 A gift letter was delivered to lender falsely representing that  
23 Celia Nava has provided \$6,500 toward the purchase of the 1543  
24 Sepulveda property. Gordon knew or should have known that the  
25 cashier's check was purchased by sellers or by UEI. That same day  
26 Gordon disbursed UEI check 82844 for \$6,500 to seller, A&A. UEI  
27 check 82844 to UEI for deposit to escrow 31020-CG, set forth below.

1 (3) Gordon prepared and sent, or caused to be  
2 prepared and sent, to the lender, receipt number 26437 which  
3 misrepresented that the buyers had deposited the sum of \$2,500 into  
4 escrow, including with said receipt a copy of a \$2,500 cashier's  
5 check number 95826 showing that buyer had purchased said cashier's  
6 check. Cashier's check number 95826 referenced in escrow #13020 and  
7 given UEI Receipt Number 26436 (see below). The receipt was false  
8 in that the buyers did not make the deposit. The deposit consisted  
9 of UEI ETA check number 82887 issued by Gordon to A&A for \$2,500 in  
10 escrow 31020-CG which A&A had endorsed back to UEI for credit to  
11 escrow 31019-CG. Gordon knew or should have known that the deposit  
12 was provided by A&A or by UEI.

13 (4) Gordon, without authority, disbursed \$2,500 to  
14 A&A which seller deposited into its account.

15 (5) Gordon issued to A&A UEI check 82844 for \$6,500  
16 which A&A endorsed back to UEI for deposited to the benefit of  
17 buyers in UEI escrow 13020 CG.

18 (6) Gordon failed to notify the lender of the above  
19 described disbursements made to A&A or the \$2,265.81 disbursement  
20 made to A&A after close of escrow.

21 (7) Gordon prepared and sent, or caused to be  
22 prepared and sent, to the lender, a settlement statement which  
23 overstated by buyers' deposit into escrow by \$10,000,  
24 misrepresented the \$12,265.81 in disbursements to seller as  
25 contractor repairs and misrepresented a further disbursement to  
26 Alvarez of \$2,881.56 as a buyer refund.  
27





1 (d) Gordon closed escrow 1302019-CG on or about February  
2 8, 1996 without receipt of the funds from the buyers, as required  
3 by the escrow instructions, by engaging in the following activities  
4 ~~in violation of Financial Code Section 17414(a)(2):~~

5 (1) Gordon prepared and sent, or caused to be  
6 prepared and sent, to the lender, Golden State Mortgage Trust  
7 (hereafter GSMT), receipt number 26415 which misrepresented that  
8 the buyers had deposited the sum of \$1,000 into escrow by a  
9 cashier's check, including with said receipt a copy of a \$1,000  
10 cashier's check 095799 issued by Chino Valley Bank, indicating that  
11 the buyer had purchased said cashier's check. The receipt was false  
12 in that the cashier's check was in fact purchased by respondent  
13 JAIME ALVAREZ with funds provided by an A&A check 9267 signed by  
14 respondent ELENA LABASTIDA. The receipt was false in that the  
15 deposit was actually UEI check number 82843 issued to Alvarez in  
16 escrow number 13019-CG and which seller endorsed back to UEI for  
17 escrow number 13020, previously described herein above. Cashier's  
18 check 095699 was in fact purchased with  
19

20 (2) Gordon prepared and sent, or caused to be  
21 prepared and sent, to the lender, GSMT, receipt number 26416 which  
22 misrepresented that the buyers had deposited the sum of \$6,500 into  
23 escrow, including with said receipt a copy of a \$6,500 cashier's  
24 check payable to Remigo Rivas indicated that Celia Nava had  
25 purchased said cashier's check. The receipt was false in that the  
26 cashier's check was in fact purchased by ~~purchased by~~ respondent  
27 JAIME ALVAREZ with funds provided by an A&A check 9267 signed by

1 respondent ELENA LABASTIDA or by seller with UEI ETA check number  
2 82847 issued by Gordon to sellers in escrow 31019-CG. A gift  
3 letter was delivered to lender falsely representing that Celia Nava  
4 has provided \$6,500 toward the purchase of the 1533 Sepulveda  
5 property. Gordon knew or should have known that the buyer's  
6 deposit was provided by sellers or by UEI. The same day Gordon  
7 disbursed check 82847 for \$7,500 to A&A.

8 (3) Gordon prepared and sent, or caused to prepared  
9 and sent, to the lender, GSMT, receipt number 26436 which  
10 misrepresented that the buyers had deposited \$2,500 into escrow,  
11 including with said receipt a copy of a \$2,500 cashier's check,  
12 numbered 95826, showing the buyer as the purchaser. The receipt  
13 was false in that the cashier's check, numbered 95826 was purchased  
14 by respondent ELANA LABASTIDA with funds provided by respondent  
15 MARISELA LABASTIDA. Gordon knew or should have known that said  
16 cashier's check was purchased by respondents. That same day Gordon  
17 disbursed UEI ETA check 82887 for \$2,500 to A&A, without prior  
18 authorization.

19 (4) Gordon prepared and sent, or caused to prepared  
20 and sent, to the lender, GSMT, receipt number 26455 which  
21 misrepresented that the buyers had deposited \$500 into escrow. The  
22 receipt was false in that the deposit was made by A&A check 3095  
23 signed by respondent EASTLAND. Gordon knew or should have known  
24 that said deposit was made by seller. That same day Gordon  
25 disbursed UEI ETA check 82964 for \$500 to A&A.  
26  
27



1 (5) Gordon failed to (a) send to the lender a copy  
2 of the January 18, 1996 escrow amendment instructing UEI to pay  
3 seller \$7,500 prior to close of escrow or \$500 after close of  
4 escrow and (b) notify the lender of the \$2,500 unauthorized  
5 disbursement to seller prior to close of escrow and the \$2,160.08  
6 and \$3,179.34 disbursements made to sellers at close of escrow.  
7 These failures violated lenders escrow instructions which required  
8 UEI to provide complete copies of all escrow instructions to them  
9 prior to close.

10 (6) Gordon prepared and sent, or caused to be  
11 prepared and sent, to the lender, a settlement statement which  
12 overstated buyers' deposit into escrow by \$10,500, misrepresented  
13 the \$12,160.08 in disbursements to sellers as contractor repairs  
14 and misrepresented a further disbursement to seller of \$3,179.34 as  
15 a buyer refund.

16 (7) The lender, GSMT, relied on each and every one  
17 of the representations regarding the buyer's deposits and in  
18 reasonable reliance therein funded the purchase money loans to the  
19 buyers.

20 11.

21 UEI Escrow 13021-CG

22 4060 & 4062 6th Street

23 Golden State Mortgage Trust Loan (GSMT) No. 95 9 13902

24 (a) UEI Escrow 13021-CG was opened for the sale of real  
25 property at 4060 & 4062 6th Street, Riverside, California by A&A  
26 (seller) to Octavio Ayala, Felipe Martinez and Maria Ramos  
27

1 (buyers). On or about February 13, 1996 Victor and Elena  
2 Labastida conveyed it to A&A. On or about February 13, 1996, A&A,  
3 by respondent M. LABASTIDA, as general partner, conveyed the  
4 property to Octavio Ayala, Felipe Martinez and Maria Ramos.

5 (b) Gordon closed escrow 13021-CG on or about February  
6 13, 1996 without receipt of the funds from the buyers, as required  
7 by the escrow instructions, by engaging in the following  
8 activities.

9 (1) Gordon prepared and sent, or caused to be  
10 prepared and sent, to the lender, GSMT, receipt number 26405 which  
11 misrepresented that the buyers had deposited the sum of \$1,000 into  
12 escrow by cashier's check number 95786, indicating that the buyer  
13 had purchased said cashier's check. The receipt was false in that  
14 the cashier's check had been purchased by respondent MARISELA  
15 LABASTIDA with funds provided by A&A with a check on an A&A account  
16 signed by respondent MARISELA LABASTIDA. That same day, Gordon  
17 disbursed UEI ETA check number 82831 for \$1,000 to A&A pursuant to  
18 a January 16, 1996 escrow amendment instructing UEI to pay A&A  
19 \$1,000 prior to close of escrow

20 (2) Gordon failed to submit to the lender a copy of  
21 the January 16, 1996 escrow amendment instructing UEI to pay A&A  
22 \$1,000 prior to close of escrow, in violation of lender escrow  
23 instructions requiring UEI to submit true copies of all escrow  
24 instrucionts prior to any close of escrow.

25 (3) Gordon prepared and sent, or caused to be  
26 prepared and sent, to the lender, receipt number 26434 which  
27 misrepresented that the buyers had deposited the sum of \$3,800 into

1 escrow, including with said receipt a copy of a \$3,800 cashier's  
2 check indicating buyers had purchased said cashier's check. The  
3 receipt was false in that the cashier's check was in fact purchased  
4 by respondent ELENA LABASTIDA with funds provided by respondent  
5 MARISELA LABASTIDA, or by seller with UEI ETA check number 82847  
6 issued by Gordon to sellers in escrow 31019-CG. Gordon knew or  
7 should have known that the cashier's check was purchased by sellers  
8 or by UEI. The same day Gordon disbursed check 82847 for \$3,800 to  
9 A&A, without prior authorization.

10 (4) Gordon prepared and sent, or caused to be  
11 prepared and sent, to the lender, a settlement statement which  
12 overstated the buyers' cash deposit into escrow by \$5,239.22 and  
13 misrepresented the disbursements to seller as "contractor fees".

14 (5) The lender, Golden State Mortgage Trust, relied  
15 on each and every one of the representations regarding the buyer's  
16 deposits and in reasonable reliance therein funded the purchase  
17 money loans to the buyers.

18 12.

19 UEI Escrow 13047-CG

20 720 West Spruce Street

21 Golden State Mortgage Trust Loan No. 95-9-13903

22 (a) On or about October 23, 1995, Hector and respondent  
23 MARISELA LABASTIDA acquired 720 West Spruce Street, San Bernardino,  
24 California (the Spruce Street Property) from HUD. On or about  
25 February 13, 1996, the Spruce Street property was conveyed by Hector  
26 and respondent MARISELA LABASTIDA to A&A. On or about February 13,  
27

1 1996, A&A, by respondent M. LABASTIDA, as general partner, conveyed  
2 the property to Jose M. Macias and Joel P. Macias.

3 (b) On or about November 29, 1995, respondent MARISELA  
4 LABASTIDA, on behalf of A & A as seller, entered into a written  
5 purchase contract to sell the Spruce Street Property to Jose M.  
6 Macias and Joel P. Macias (buyers) for \$85,500, with \$3,460 down  
7 and a \$83,040 new first trust deed loan.

8 (c) On or about January 11, 1996, UEI Escrow 13047-CG  
9 was opened for the sale of the Spruce Street property by A&A  
10 (seller) to Jose M. Macias and Joel P. Macias (buyers), for  
11 \$86,500.

12 (d) Gordon closed escrow 13047-CG on or about February  
13 13, 1996 without receipt of the funds from the buyers, as required  
14 by the escrow instructions, by engaging in the following activities  
15 ~~in violation of Financial Code Section 17414(a)(2):~~

16 (1) Gordon prepared and sent, or caused to be  
17 prepared and sent, to the lender, receipt number 26406 which  
18 misrepresented that the buyers had deposited the sum of \$1,000 into  
19 escrow, including with said receipt a copy of a \$1,000 cashier's  
20 check number 95785, indicating that the buyer had purchased said  
21 cashier's check. The receipt was false in that the cashier's check  
22 had been purchased by respondent MARISELA LABASTIDA. Gordon knew  
23 or should have known that the cashier's check was purchased by  
24 sellers or by UEI. That same day, Gordon disbursed UEI ETA check  
25 number 82832 for \$1,000 to A&A.

26 (2) Gordon prepared and sent, or caused to be  
27 prepared and sent, to the lender, receipt number 26435 which



1 misrepresented that the buyers had deposited the sum of \$3,500 into  
2 escrow, including with said receipt a copy of a \$3,500 cashier's  
3 check, numbered 095825, indicating buyers had purchased said  
4 cashier's check. The receipt was false in that the cashier's check  
5 was in fact purchased by respondent ELENA LABASTIDA with a check  
6 signed by respondent MARISELA LABASTIDA. Gordon knew or should  
7 have known that the cashier's check was purchased by sellers or by  
8 UEI. The same day Gordon disbursed check 82885 for \$3,500 to A&A,  
9 without prior authorization.

10 (3) Respondent EASTLAND signed Alvarez Check Number  
11 9329, 2-12-96, \$115.00 to UEI which was for a shortage in buyers'  
12 deposits to escrow 13047.

13 (4) Gordon failed to submit to the lender a copy of  
14 the January 16, 1996 escrow amendment instructing UEI to pay seller  
15 \$4,600 prior to close of escrow, in violation of lender escrow  
16 instructions requiring UEI to submit true copies of all escrow  
17 instructions prior to any close of escrow.

18 (5) Gordon prepared and sent, or caused to be  
19 prepared and sent, to the lender, a settlement statement which  
20 overstated the buyers' cash deposit into escrow by \$4,600 and  
21 failed to indicate that \$4,500 of the seller's proceeds were  
22 disbursed prior to close of escrow.

23 (6) The lender, Golden State Mortgage Trust, relied  
24 on each and every one of the representations regarding the buyer's  
25 deposits and in reasonable reliance therein funded the purchase  
26 money loans to the buyers.  
27



The conduct or omissions of each and every respondent, as set forth above, in the creation of fictitious deposits credited to buyers, subject their real estate licenses and license rights to suspension or revocation under the following Code Sections:

(a) 10176(a) for making substantial misrepresentations.

(b) 10176(i) for fraud or dishonest dealing in transactions for which a real estate license is required.

(c) 10177(g) for negligence in transactions for which a real estate license was required.

(d) 10177(j) for fraud or dishonest dealing in transactions for which a real estate license is not required.

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 licenses and license rights of respondents JAIME ALVAREZ, individually and doing business as Alvarez and Associates; MARISELA LABASTIDA; ELENA ANTONIA LABASTIDA and LETICIA EASTLAND, under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code) and for such other and further relief as may be proper under other applicable provisions of law.

DATED: April 30, 1999.

  
Thomas McCrady  
Deputy Real Estate Commissioner



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cc:

Jaime Alvarez  
Marisela Labastida  
Elena Antonia Labastida  
Leticia Eastland  
Frank Buda, Esq.

Sacto

PI

SC/sc



BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

**FILE**  
FEB 17 1999  
DEPARTMENT OF REAL ESTATE

In the Matter of the Accusation of )

Case No. H-27905 LA

JAIME ALVAREZ, Et Al., )

OAH No. L- 1998120120 )

By Laura B. Crane

Respondent. )

**NOTICE OF HEARING ON ACCUSATION**

To the above-named Respondent(s):

You are hereby notified that a hearing will be held before the Department of Real Estate at Office of Administrative Hearings, 320 West Fourth Street, 6th Floor, Los Angeles, California, on MAY 17, 18, 19, 21, 24, 25, 26, 1999, at the hour of 9:00 a.m. or as soon thereafter as the matter can be heard, upon the Accusation served upon you. If you object to the place of hearing, you must notify the presiding administrative law judge of the Office of Administrative Hearings within ten (10) days after this notice is served upon you. Failure to notify the presiding administrative law judge within ten days will deprive you of a change in the place of hearing.

You may be present at the hearing. You have the right to be represented by an attorney at your own expense. You are not entitled to the appointment of an attorney to represent you at public expense. You are entitled to represent yourself without legal counsel. If you are not present in person nor represented by counsel at the hearing, the Department may take disciplinary action against you based upon any express admission or other evidence including affidavits, without any notice to you.

You may present any relevant evidence and will be given full opportunity to cross-examine all witnesses testifying against you. You are entitled to the issuance of subpoenas to compel the attendance of witnesses and the production of books, documents or other things by applying to the Department of Real Estate.

The hearing shall be conducted in the English language. If you want to offer the testimony of any witness who does not proficiently speak the English language, you must provide your own interpreter and pay his or her costs. The interpreter must be certified in accordance with Sections 11435.30 and 11435.55 of the Government Code.

Dated: FEB 17 1999

DEPARTMENT OF REAL ESTATE

By:

Sean Crahan  
SEAN CRAHAN, Counsel

cc: Jaime Alvarez  
Marisela Labastida  
Elena Antonia Lebastida  
Leticia Eastland  
Frank M. Buda  
Sacto.  
OAH

1 Sean Crahan, Counsel  
2 State Bar 49351  
3 Department of Real Estate  
107 South Broadway, Room 8107  
Los Angeles, California 90012

4 (213) 897-3937

FILED  
NOV - 4 1998  
DEPARTMENT OF REAL ESTATE

By Laura B. Orma

8 DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \* \* \*

11 In the Matter of the Accusation of )  
12 JAIME ALVAREZ, individually and )  
13 dba Alvarez and Associates; )  
MARISELA LABASTIDA; )  
14 ELENA ANTONIA LABASTIDA and )  
LETICIA EASTLAND, )  
15 Respondents. )  
16 \_\_\_\_\_ )

Number H-27905 LA

A C C U S A T I O N

17 The Complainant, Thomas McCrady, a Deputy Real Estate  
18 Commissioner of the State of California, for cause of accusation  
19 against JAIME ALVAREZ, individually and doing business as Alvarez  
20 and Associates; MARISELA LABASTIDA; ELENA ANTONIA LABASTIDA and  
21 LETICIA EASTLAND, alleges as follows:

22 1.

23 The Complainant, Thomas Mc Crady, a Deputy Real Estate  
24 Commissioner of the State of California, brings this Accusation,  
25 his official capacity.

26 /

LICENSING

2.

JAIIME ALVAREZ (hereafter respondent ALVAREZ) is presently licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the Business and Professions Code (herein "the Code").

(a) At all times mentioned herein, respondent ALVAREZ was and now is licensed by the Department of Real Estate of the State of California (herein "the Department") as a real estate broker, individually and doing business as Alvarez and Associates (hereafter A&A).

(b) At all times herein mentioned, respondent ALVAREZ directed and controlled the operations of A&A, its agents and employees.

3.

MARISELA LABASTIDA (hereafter respondent M. LABASTIDA) is presently licensed and/or has license rights under the Real Estate Law.

(a) At all times herein mentioned, respondent M. LABASTIDA was licensed by the Department as a real estate broker.

(b) At all times herein mentioned, respondent M. LABASTIDA was acting in conjunction with all respondents herein and on behalf of A&A.

4.

LETICIA EASTLAND (hereafter respondent EASTLAND) is presently licensed and/or has license rights under the Real Estate Law.



1 (a) At all times mentioned herein, respondent EASTLAND  
2 was and now is licensed by the Department as a real estate  
3 salesperson.

4 (b) Respondent EASTLAND was at all times herein  
5 mentioned employed by and licensed to respondent ALVAREZ.

6 5.

7 ELENA ANTONIA LABASTIDA (hereafter E. A. LABASTIDA) is  
8 presently licensed and/or have license rights under the Real Estate  
9 Law.

10 (a) At all times mentioned herein, respondent E. A.  
11 LABASTIDA was and now is licensed by the Department as real estate  
12 salesperson.

13 (b) Respondent E. A. LABASTIDA was at all times herein  
14 mentioned employed by and licensed to respondent ALVAREZ.

15 6.

16 Christina Maria Gordon (hereafter Gordon) was at all  
17 times hereinbelow mentioned an escrow officer at Union Escrow,  
18 Inc. (hereafter UEI). Gordon was at no time hereinbelow mentioned a  
19 real estate licensee but on February 25, 1997 applied to the  
20 Department for a real estate salesperson license.

21 7.

22 CONSPIRACY

23 (a) Respondents ALVAREZ, LABASTIDA, EASTLAND, LABASTIDA,  
24 Alvarez & Associates (hereafter A&A), UEI and Gordon agreed to  
25 engage in the business of buying or selling real properties, as  
26 principals or agents, for or in expectation of compensation,  
27 whereby A&A would sell real properties to buyers whose down



1 payments or closing costs to purchase the properties were provided  
2 by respondents, A&A and/or UEI.

3 (b) Respondents, A&A and Gordon caused or allowed to be  
4 represented to lenders that buyers had deposited specified amounts  
5 as deposits or closing costs toward the purchase of the real  
6 properties.

7 (c) Respondents, A&A, UEI and Gordon concealed from  
8 lenders that the down payments were borrowed, contrary to  
9 statements on buyers' loan applications to lenders that no part of  
10 their down payments were borrowed.

11 (d) In fact, down payments were fictitious, created by  
12 use of cashier's checks deposited into UEI and represented to be  
13 deposits or closing costs by the buyers.

14 (e) Said cashier's checks were purchased from funds  
15 provided by A&A, respondents, or UEI.

16 (f) Pursuant to this agreement, respondents ALVAREZ,  
17 LABASTIDA, EASTLAND, LABASTIDA, with funds from A&A, respondents or  
18 UEI, purchased cashier's checks to be deposited into UEI for credit  
19 to the buyers/borrowers.

20 (g) Gordon, as escrow officer for UEI, caused escrows to  
21 be opened and closed, concealing from the lenders that the  
22 borrowers had not placed on deposit the funds which UEI and Gordon  
23 had represented to the lenders as having been deposited by the  
24 buyer/borrowers.

25 (h) Respondents, A&A, UEI and Gordon, together, in  
26 cooperation with each other, jointly and severally, engaged in the  
27 transactions set forth below.



TRANSACTIONS

7.

UEI Escrow 13010-CG

3133 and 3133 1/2 Duffy Street

(a) On or about December 6, 1995, respondent EASTLAND conveyed real property at 3133 and 3133 1/2 Duffy Street, San Bernardino, California (hereafter the Duffy Street property) to A&A. On or about January 16, 1996, A&A, by respondent M. LABASTIDA, as general partner, conveyed the Duffy Street property to Francisco and Arora Chavez and Yolanda Chavez.

(b) On or about November 30, 1995, respondent MARISELA LABASTIDA, on behalf of A & A as seller, entered into a written purchase contract to sell the Duffy Street Property to Francisco and Arora Chavez (buyers) for \$145,000, with \$5,800 down and a \$139,000 new first trust deed loan.

(c) UEI Escrow 13010-C was opened on or about December 6, 1995, for the sale of the Duffy Street property by A&A, (seller) to Francisco and Arora Chavez (buyers) for \$145,000.

(d) On or about January 16, 1996, Gordon closed escrow without having received the cash deposit and other funds from the buyer, as required by the escrow instructions, in violation of Financial Code Section 17414(a)(1) governing the conduct of escrows under the Department of Corporations jurisdiction.

(d) Gordon closed escrow 13010-CG without receipt of the required funds from the buyers by engaging in the following activities in violation of Financial Code Section 17414(a)(2):

27





1 (1) Gordon prepared and sent, or caused to be  
2 prepared and sent, to the lender, receipt number 26408 which  
3 misrepresented that the buyers had deposited the sum of \$10,000  
4 into escrow, including with said receipt a copy of a \$10,000  
5 cashier's check indicating that the buyers had purchased said  
6 check. The receipt was false in that the cashier's check was in  
7 fact purchased by respondent MARISELA LABASTIDA with funds from  
8 A&A. Gordon knew or should have known that the cashier's check was  
9 purchased by seller. The same day Gordon disbursed UEI ETA check  
10 82833 for \$10,000 to A&A pursuant to an instruction dated January  
11 16, 1996 signed by sellers and buyers.

12 (2) Gordon failed to send a copy of that escrow  
13 instruction dated January 16, 1996 to the lender, which had, on  
14 January 11, 1996, instructed UEI to submit complete copies of all  
15 escrow instructions prior to any close of escrow.

16 (3) Gordon prepared and sent, or caused to be  
17 prepared and sent, to the lender, a settlement statement which  
18 overstated the buyer's cash deposit into escrow by \$10,000 and  
19 disguising the \$10,000 disbursement to Alvarez as \$9,800 in  
20 contractor fees and \$200 in escrow fees and further misrepresented  
21 a further disbursement to seller of \$1,018.42 as a buyer refund.

22 8.

23 UEI Escrow 13019-CG

24 1543, 1545, 1547 North Sepulveda

25 (a) On or about December 30, 1993, The United States  
26 Department of Housing and Urban Development (hereafter HUD)  
27 conveyed real property at 1543, 1545, 1547 North Sepulveda, San



1 Bernardino, California, (the 1543 Sepulveda Property) to Hector and  
2 respondent MARISELA LABASTIDA. On or about February 9, 1996,  
3 Hector and respondent MARISELA LABASTIDA conveyed this property to  
4 A&A. On or about February 9, 1996, A&A, by respondent MARISELA  
5 LABASTIDA, as general partner, conveyed the property to Roberto  
6 Hernandez and Remigo Rivas.

7 (b) On or about December 15, 1995, respondent MARISELA  
8 LABASTIDA, on behalf of A & A as seller, entered into a written  
9 purchase contract to sell the 1543 Sepulveda Property to Roberto  
10 Hernandez and Remigo Rivas (buyers) for \$129,000., with \$5,160 down  
11 and a \$123,840 new first trust deed loan.

12 (c) UEI Escrow 13019-CG was opened on or about December  
13 15, 1995, for the sale of 1543, 1545, 1547 North Sepulveda, San  
14 Bernardino, California, by A&A (seller) to Roberto Hernandez and  
15 Remigo Rivas (buyers) for \$129,000.

16 (d) Gordon closed escrow 13019-CG on or about February  
17 9, 1996, without receipt of the funds from the buyers as required  
18 by the escrow instructions by engaging in the following activities.

19 (1) Gordon prepared and sent, or caused to be  
20 prepared and sent, to the lender, receipt Number 26412 which  
21 misrepresented that the buyers had deposited the sum of \$1,000 into  
22 escrow, including with said receipt a copy of a \$1,000 cashier's  
23 check numbered 095799 indicating that the buyer had purchased said  
24 cashier's check. The receipt was false in that the cashier's check  
25 was in fact purchased by respondent JAIME ALVAREZ with funds  
26 provided by an A&A check 9267 signed by respondent ELENA LABASTIDA.  
27 Gordon knew or should have known that the cashier's check was



1 purchased by seller. That same day Gordon disbursed check 82843  
2 for \$1,000 to A&A. A&A endorsed check 82843 for deposit into UEI  
3 escrow 31020-CG, set forth below.

4 (2) Gordon prepared or caused to be prepared,  
5 receipt number 26413 which misrepresented that the buyers had  
6 deposited the sum of \$6,500 into escrow, including with said  
7 receipt a copy of a \$6,500 First Federal Savings cashier's check  
8 06-003198 payable to Remigo Rivas which indicated that Celia Nava  
9 had purchased said cashier's check. The receipt was false in that  
10 the cashier's check was in fact purchased by respondent JAIME  
11 ALVAREZ with funds provided by an A&A check 9267 signed by  
12 respondent ELENA LABASTIDA with A&A's funds. Gordon knew or should  
13 have known that the cashier's check was purchased by sellers or by  
14 UEI. That same day Gordon disbursed check 82844 for \$6,500 to  
15 seller. A&A check 82844 to UEI for deposit to escrow 31020-CG,  
16 set forth below.

17 (3) Gordon prepared and sent, or caused to be  
18 prepared and sent, to the lender, receipt number 26437 which  
19 misrepresented that the buyers had deposited the sum of \$2,500 into  
20 escrow, including with said receipt a copy of a \$2,500 cashier's  
21 check number 95826 showing that buyer had purchased said cashier's  
22 check. Cashier's check number 95826 referenced in escrow #13020 and  
23 given UEI Receipt Number 26436 (see below). The receipt was false  
24 in that the buyers did not make the deposit. The deposit consisted  
25 of UEI ETA check number 82887 issued by Gordon to A&A for \$2,500 in  
26 escrow 31020-CG which A&A had endorsed back to UEI for credit to

27



1 escrow 31019-CG. Gordon knew or should have known that the deposit  
2 was provided by A&A or by UEI.

3 (4) Gordon, without authority, disbursed \$2,500 to  
4 A&A which seller deposited into its account.

5 (5) Gordon issued to A&A UEI check 82844 for \$6,500  
6 which A&A endorsed back to UEI for deposited to the benefit of  
7 buyers in UEI escrow 13020-CG.

8 (6) Gordon failed to notify the lender of the above  
9 described disbursements made to A&A or the \$2,265.81 disbursement  
10 made to A&A after close of escrow.

11 (7) Gordon prepared and sent, or caused to be  
12 prepared and sent, to the lender, a settlement statement which  
13 overstated by buyers' deposit into escrow by \$10,000,  
14 misrepresented the \$12,265.81 in disbursements to seller as  
15 contractor repairs and misrepresented a further disbursement to  
16 Alvarez of \$2,881.56 as a buyer refund.

17 9.

18 UEI Escrow 13020-CG

19 1533, 1535, 1537 North Sepulveda

20 (a) On or about April 27, 1994, HUD conveyed real  
21 property at 1533, 1535, 1537 North Sepulveda in San Bernardino,  
22 California (hereafter the 1533 Sepulveda Property) to Victor and  
23 respondent E. LABASTIDA who, on April 29, 1994, conveyed it to  
24 Hector and respondent M. LABASTIDA. On or about February 7, 1996,  
25 Hector and respondent M. LABASTIDA conveyed it to A&A, On or about  
26 February 7, 1996, A&A, by respondent M. LABASTIDA, as general

27



1 partner, conveyed the property to Roberto Hernandez and Remigio  
2 Rivas.

3 (b) On or about December 15, 1995, respondent MARISELA  
4 LABASTIDA, on behalf of A & A as seller, entered into a written  
5 purchase contract to sell the 1533 Sepulveda Property to Roberto  
6 Hernandez and Remigio Rivas (buyers) for \$129,000, with \$5,160 down  
7 and a \$123,840 new first trust deed loan.

8 (c) On or about December 15, 1995, UEI Escrow 13020-CG  
9 was opened for the sale of real property at 1533, 1535, 1537 North  
10 Sepulveda in San Bernardino, California by A&A (seller) to to  
11 Roberto Hernandez and Remigio Rivas (buyers) for \$129,000.

12 (d) Gordon closed escrow 13020-CG on or about February  
13 8, 1996 without receipt of the funds from the buyers, as required  
14 by the escrow instructions, by engaging in the following activities  
15 in violation of Financial Code Section 17414(a)(2):

16 (1) Gordon prepared and sent, or caused to be  
17 prepared and sent, to the lender, receipt number 26415 which  
18 misrepresented that the buyers had deposited the sum of \$1,000 into  
19 escrow, including with said receipt a copy of a \$1,000 cashier's  
20 check, indicating that the buyer had purchased said cashier's  
21 check. The receipt was false in that the deposit was actually UEI  
22 check number 82843 issued to Alvarez in escrow number 13019-CG and  
23 which seller endorsed back to UEI for escrow number 13020,  
24 previously described herein above.

25 (2) Gordon prepared and sent, or caused to be  
26 prepared and sent, to the lender, receipt number 26416 which  
27 misrepresented that the buyers had deposited the sum of \$6,500 into



1 escrow, including with said receipt a copy of a \$6,500 cashier's  
2 check payable to Remigo Rivas indicated that Celia Nava had  
3 purchased said cashier's check. The receipt was false in that the  
4 cashier's check was in fact purchased by purchased by respondent  
5 JAIME ALVAREZ with funds provided by an A&A check 9267 signed by  
6 respondent ELENA LABASTIDA or by seller with UEI ETA check number  
7 82847 issued by Gordon to sellers in escrow 31019-CG. Gordon knew  
8 or should have known that the buyer's deposit was provided by  
9 sellers or by UEI. The same day Gordon disbursed check 82847 for  
10 \$7,500 to A&A.

11 (3) Gordon prepared and sent, or caused to prepared  
12 and sent, to the lender, receipt number 26436 which misrepresented  
13 that the buyers had deposited \$2,500 into escrow, including with  
14 said receipt a copy of a \$2,500 cashier's check, numbered 95826,  
15 showing the buyer as the purchaser. The receipt was false in that  
16 the cashier's check, numbered 95826 was purchased by respondent  
17 ELANA LABASTIDA with funds provided by respondent MARISELA  
18 LABASTIDA. Gordon knew or should have knoen that said cashier's  
19 check was purchased by respondents. That same day Gordon disbursed  
20 UEI ETA check 82887 for \$2,500 to A&A, without prior authorization.

21 (4) Gordon prepared and sent, or caused to prepared  
22 and sent, to the lender, receipt number 26455 which misrepresented  
23 that the buyers had deposited \$500 into escrow. The receipt was  
24 false in that the deposit was made by seller. Gordon knew or  
25 should have known that said deposit was made by seller. That same  
26 day Gordon disbursed UEI ETA check 82964 for \$500 to A&A.

27



1 (5) Gordon failed to (a) send to the lender a copy  
2 of the January 18, 1996 escrow amendment instructing UEI to pay  
3 seller \$7,500 prior to close of escrow or \$500 after close of  
4 escrow and (b) notify the lender of the \$2,500 unauthorized  
5 disbursement to seller prior to close of escrow and the \$2,160.08  
6 and \$3,179.34 disbursements made to sellers at close of escrow.  
7 These failures violated lenders escrow instructions which required  
8 UEI to provide complete copies of all escrow instructions to them  
9 prior to close.

10 (6) Gordon prepared and sent, or caused to be prepared  
11 and sent, to the lender, a settlement statement which overstated  
12 buyers' deposit into escrow by \$10,500, misrepresented the  
13 \$12,160.08 in disbursements to sellers as contractor repairs and  
14 misrepresented a further disbursement to seller of \$3,179.34 as a  
15 buyer refund.

16 10.

17 UEI Escrow 13021-CG

18 4060 & 4062 6th Street

19 (a) UEI Escrow 13021-CG was opened for the sale of real  
20 property at 4060 & 4062 6th Street, Riverside, California by A&A  
21 (seller) to Octavio Ayala, Felipe Martinez and Maria Ramos  
22 (buyers).

23 (b) Gordon closed escrow 13021-CG on or about February  
24 13, 1996 without receipt of the funds from the buyers, as required  
25 by the escrow instructions, by engaging in the following  
26 activities.

27



1                   (1) Gordon prepared and sent, or caused to be  
2 prepared and sent, to the lender, receipt number 26405 which  
3 misrepresented that the buyers had deposited the sum of \$1,000 into  
4 escrow by cashier's check number 95786, indicating that the buyer  
5 had purchased said cashier's check. The receipt was false in that  
6 the cashier's check had been purchased by respondent MARISELA  
7 LABASTIDA with funds provided by A&A with a check on an A&A account  
8 signed by respondent MARISELA LABASTIDA. That same day, Gordon  
9 disbursed UEI ETA check number 82831 for \$1,000 to A&A pursuant to  
10 a January 16, 1996 escrow amendment instructing UEI to pay A&A  
11 \$1,000 prior to close of escrow.

12                   (2) Gordon failed to submit to the lender a copy of  
13 the January 16, 1996 escrow amendment instructing UEI to pay A&A  
14 \$1,000 prior to close of escrow, in violation of lender escrow  
15 instructions requiring UEI to submit true copies of all escrow  
16 instructions prior to any close of escrow.

17                   (3) Gordon prepared and sent, or caused to be  
18 prepared and sent, to the lender, receipt number 26434 which  
19 misrepresented that the buyers had deposited the sum of \$3,800 into  
20 escrow, including with said receipt a copy of a \$3,800 cashier's  
21 check indicating buyers had purchased said cashier's check. The  
22 receipt was false in that the cashier's check was in fact purchased  
23 by respondent ELENA LABASTIDA with funds provided by respondent  
24 MARISELA LABASTIDA, or by seller with UEI ETA check number 82847  
25 issued by Gordon to sellers in escrow 31019-CG. Gordon knew or  
26 should have known that the cashier's check was purchased by sellers

27





1 or by UEI. The same day Gordon disbursed check 82847 for \$3,800 to  
2 A&A, without prior authorization.

3 (4) Gordon prepared and sent, or caused to be  
4 prepared and sent, to the lender, a settlement statement which  
5 overstated the buyers' cash deposit into escrow by \$5,239.22 and  
6 misrepresented the disbursements to seller as "contractor fees".

7 11.

8 UEI Escrow 13047-CG  
9 720 West Spruce Street

10 (a) On or about October 23, 1995, Hector and respondent  
11 MARISELA LABASTIDA acquired 720 West Spruce Street, San Bernardino,  
12 California (the Spruce Street Property) from HUD. February 13,  
13 1996, the Spruce Street property was conveyed by Hector and  
14 respondent MARISELA LABASTIDA to A&A. On or about February 13,  
15 1996, A&A, by respondent M. LABASTIDA, as general partner, conveyed  
16 the property to Jose M. Macias and Joel P. Macias.

17 (b) On or about November 29, 1995, respondent MARISELA  
18 LABASTIDA, on behalf of A & A as seller, entered into a written  
19 purchase contract to sell the Spruce Street Property to Jose M.  
20 Macias and Joel P. Macias (buyers) for \$85,500, with \$3,460 down  
21 and a \$83,040 new first trust deed loan.

22 (c) On or about January 11, 1996, UEI Escrow 13047-CG  
23 was opened for the sale of the Spruce Street property by A&A  
24 (seller) to Jose M. Macias and Joel P. Macias (buyers), for  
25 \$86,500.

26 (d) Gordon closed escrow 13047-CG on or about February  
27 13, 1996 without receipt of the funds from the buyers, as required



1 by the escrow instructions, by engaging in the following activities  
2 in violation of Financial Code Section 17414(a)(2):

3 (1) Gordon prepared and sent, or caused to be  
4 prepared and sent, to the lender, receipt number 26406 which  
5 misrepresented that the buyers had deposited the sum of \$1,000 into  
6 escrow, including with said receipt a copy of a \$1,000 cashier's  
7 check number 95785, indicating that the buyer had purchased said  
8 cashier's check. The receipt was false in that the cashier's check  
9 had been purchased by respondent MARISELA LABASTIDA. Gordon knew  
10 or should have known that the cashier's check was purchased by  
11 sellers or by UEI. That same day, Gordon disbursed UEI ETA check  
12 number 82832 for \$1,000 to A&As.

13 (2) Gordon prepared and sent, or caused to be  
14 prepared and sent, to the lender, receipt number 26435 which  
15 misrepresented that the buyers had deposited the sum of \$3,500 into  
16 escrow, including with said receipt a copy of a \$3,500 cashier's  
17 check, numbered 095825, indicating buyers had purchased said  
18 cashier's check. The receipt was false in that the cashier's check  
19 was in fact purchased by respondent ELENA LABASTIDA with a check  
20 signed by respondent MARISELA LABASTIDA. Gordon knew or should  
21 have known that the cashier's check was purchased by sellers or by  
22 UEI. The same day Gordon disbursed check 82885 for \$3,500 to A&A,  
23 without prior authorization.

24 (3) Gordon failed to submit to the lender a copy of  
25 the January 16, 1996 escrow amendment instructing UEI to pay seller  
26 \$4,600 prior to close of escrow, in violation of lender escrow

27



1 instructions requiring UEI to submit true copies of all escrow  
2 instrucionts prior to any close of escrow.

3 (4) Gordon prepared and sent, or caused to be  
4 prepared and sent, to the lender, a settlement statement which  
5 overstated the buyers' cash deposit into escrow by \$4,600 and  
6 failed to indicate that \$4,500 of the seller's proceeds were  
7 disbursed prior to close of escrow.

8 12.

9 The conduct or omissions of each and every respondent, as  
10 set forth above, in the creation of fictitious deposits credited to  
11 buyers, subject their real estate licenses and license rights to  
12 suspension or revocation under the following Code Sections:

13 (a) 10176(a) for making substantial misrepresentations.

14 (b) 10176(i) for fraud or dishonest dealing in  
15 transactions for which a real estate license is required.

16 (c) 10177(j) for fraud or dishonest dealing in  
17 transactions for which a real estate license is not required.

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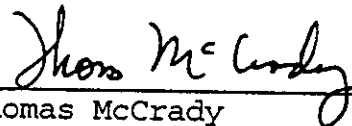
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1 WHEREFORE, Complainant prays that a hearing be conducted  
2 on the allegations of this Accusation and that upon proof thereof,  
3 a decision be rendered imposing disciplinary action against all  
4 licenses and license rights of respondents JAIME ALVAREZ,  
5 individually and doing business as Alvarez and Associates; MARISELA  
6 LABASTIDA; ELENA ANTONIA LABASTIDA and LETICIA EASTLAND, under the  
7 Real Estate Law (Part 1 of Division 4 of the Business and  
8 Professions Code) and for such other and further relief as may be  
9 proper under other applicable provisions of law.

10 Dated this 4th day of November, 1998.

11  
12   
13 Thomas McCrady  
14 Deputy Real Estate Commissioner  
15  
16  
17  
18  
19  
20  
21

22 cc:

23 Jaime Alvarez  
24 Marisela Labastida  
25 Elena Antonia Labastida  
26 Leticia Eastland  
27 Sacto  
PI

SC/sc

