

1 Department of Real Estate
320 West Fourth Street, #350
2 Los Angeles, California 90013

3 (213) 576-6982
4 (213) 576-6914

FILED
MAR 23 2006
DEPARTMENT OF REAL ESTATE

By

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6
7
8 BEFORE THE DEPARTMENT OF REAL ESTATE
9
10 STATE OF CALIFORNIA

11 * * *

12 In the Matter of the Accusation of)
13 LUIS CEBALLOS,) No. H-32129 LA
14) No. L-2005080778
15) STIPULATION AND AGREEMENT
Respondent.)

16 It is hereby stipulated by and between LUIS CEBALLOS
17 (sometimes referred to herein as "Respondent") and his attorney
18 of record, Omar Gastelum, Esq., and the Complainant, acting by
19 and through Lissete Garcia, Counsel for the Department of Real
20 Estate, as follows for the purpose of settling and disposing of
21 the Accusation filed on August 4, 2005, in this matter:

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1 1. All issues which were to be contested and all
2 evidence which was to be presented by Complainant and Respondent
3 at a formal hearing on the Accusation, which hearing was to be
4 held in accordance with the provisions of the Administrative
5 Procedure Act ("APA"), shall instead and in place thereof be
6 submitted solely on the basis of the provisions of this
7 Stipulation and Agreement ("Stipulation").

8 2. Respondent has received, read and understands the
9 Statement to Respondent, the Discovery Provisions of the APA and
10 the Accusation filed by the Department of Real Estate in this
11 proceeding.

12 3. On August 18, 2005, Respondent filed a Notice of
13 Defense pursuant to Section 11506 of the Government Code for the
14 purpose of requesting a hearing on the allegations in the
15 Accusation. Respondent hereby freely and voluntarily withdraws
16 said Notice of Defense. Respondent acknowledges that he
17 understands that by withdrawing said Notice of Defense,
18 Respondent will thereby waive his right to require the
19 Commissioner to prove the allegations in the Accusation at a
20 contested hearing held in accordance with the provisions of the
21 APA and that Respondent will waive other rights afforded to him
22 in connection with the hearing such as the right to present
23 evidence in defense of the allegations in the Accusation and the
24 right to cross-examine witnesses.

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1 4. Respondent, pursuant to the limitations set forth
2 below, hereby admits that the factual allegations of the
3 Accusation are true and correct and the Real Estate Commissioner
4 shall not be required to provide further evidence of such
5 allegations.

6 5. It is understood by the parties that the Real
7 Estate Commissioner may adopt the Stipulation as his Decision in
8 this matter thereby imposing the penalty and sanctions on
9 Respondent's real estate license and license rights as set forth
10 in the below "Order". In the event the Commissioner, in his
11 discretion, does not adopt the Stipulation, it shall be void and
12 of no effect, and Respondent shall retain the right to a hearing
13 and proceeding on the Accusation under all the provisions of the
14 APA and shall not be bound by any admission or waiver made
15 herein.

16 6. The Order or any subsequent Order of the Real
17 Estate Commissioner made pursuant to this Stipulation shall not
18 constitute an estoppel, merger or bar to any further
19 administrative or civil proceedings by the Department of Real
20 Estate with respect to any matters which were not specifically
21 alleged to be causes for accusation in this proceeding.

22 DETERMINATION OF ISSUES

23 By reason of the foregoing stipulations, admissions and
24 waivers and solely for the purpose of settlement of the pending
25 Accusation without a hearing, it is stipulated and agreed that
26 the following Determination of Issues shall be made:
27

1 The conduct, acts and/or omissions of Respondent, as
2 set forth in the Accusation is grounds for suspension or
3 revocation of Respondent's real estate license and license rights
4 under the provisions of Sections 490 and 10177(b) of the Business
5 and Professions Code.

6 ORDER

7 WHEREFORE, THE FOLLOWING ORDER is hereby made:

8 All licenses and licensing rights of Respondent LUIS
9 CEBALLOS, under the Real Estate Law are revoked; provided,
10 however, a restricted real estate salesperson license shall be
11 issued to Respondent pursuant to Section 10156.5 of the Business
12 and Professions Code if Respondent makes application therefor and
13 pays to the Department of Real Estate the appropriate fee for
14 said restricted license and Respondent provides proof
15 satisfactory to the Real Estate Commissioner that he has been
16 released from probation in United States District Court,
17 Central District of California, case no. SA CR 03-306-AHS.

18 The restricted license issued to Respondent shall be
19 subject to all of the provisions of Section 10156.7 of the
20 Business and Professions Code and to the following limitations,
21 conditions and restrictions imposed under authority of Section
22 10156.6 of that Code:

23 1. The restricted license issued to Respondent may be
24 suspended prior to hearing by Order of the Real Estate
25 Commissioner in the event of Respondent's conviction or plea of
26
27

1 nolo contendere to a crime which is substantially related to
2 Respondent's fitness or capacity as a real estate licensee.

3 2. The restricted license issued to Respondent may
4 be suspended prior to hearing by Order of the Real Estate
5 Commissioner on evidence satisfactory to the Commissioner that
6 Respondent has violated provisions of the California Real Estate
7 Law, the Subdivided Lands Law, Regulations of the Real Estate
8 Commissioner or conditions attaching to the restricted license.

9 3. Respondent shall not be eligible to apply for
10 issuance of an unrestricted real estate license nor for the
11 removal of any of the conditions, limitations or restrictions
12 of a restricted license until two (2) years have elapsed from the
13 effective date of issuance of this Decision.

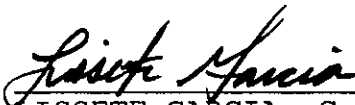
14 4. Respondent shall submit with any application for
15 license under an employing broker, or any application for
16 transfer to a new employing broker, a statement signed by the
17 prospective employing broker on a form approved by the Department
18 of Real Estate which shall certify:

19 (a) That the employing broker has read the Decision of
20 the Commissioner which granted the right to a restricted license;
21 and

22 (b) That the employing broker will exercise close
23 supervision over the performance by the restricted licensee
24 relating to activities for which a real estate license is
25 required.

1 5. Respondent shall, within nine (9) months from the
2 effective date of this Decision, present evidence satisfactory to
3 the Real Estate Commissioner that Respondent has, since the most
4 recent issuance of an original or renewal real estate license,
5 taken and successfully completed the continuing education
6 requirements of Article 2.5 of Chapter 3 of the Real Estate Law
7 for renewal of a real estate license. If Respondent fails to
8 satisfy this condition, the Commissioner may order the suspension
9 of the restricted license until the Respondent presents such
10 evidence. The Commissioner shall afford Respondent the
11 opportunity for a hearing pursuant to the Administrative
12 Procedure Act to present such evidence.

13
14 DATED: 2/24/06



LISSETTE GARCIA, Counsel for
the Complainant, the Department
of Real Estate

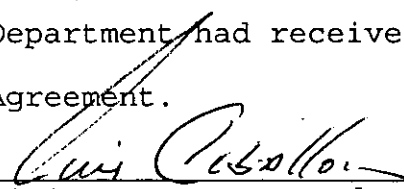
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17 * * *

18 I have read the Stipulation and Agreement and have
19 discussed it with my counsel, and its terms are understood by me
20 and are agreeable and acceptable to me. I understand that I am
21 waiving rights given to me by the California Administrative
22 Procedure Act (including but not limited to Sections 11506,
23 11508, 11509 and 11513 of the Government Code), and I willingly,
24 intelligently and voluntarily waive those rights, including the
25 right of requiring the Commissioner to prove the allegations in
26 the Accusation at a hearing at which I would have the right to
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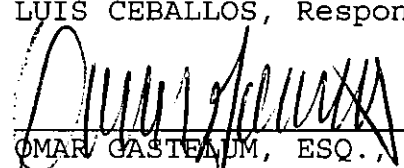
1 cross-examine witnesses against me and to present evidence in
2 defense and mitigation of the charges.

3 Respondent can signify acceptance and approval of the
4 terms and conditions of this Stipulation and Agreement by faxing
5 a copy of the signature page, as actually signed by Respondent,
6 to the Department at the following telephone/fax number: (213)
7 576-6917. Respondent agrees, acknowledges and understands that
8 by electronically sending to the Department a fax copy of his
9 actual signature as it appears on the Stipulation and Agreement,
10 that receipt of the faxed copy by the Department shall be as
11 binding on Respondent as if the Department had received the
12 original signed Stipulation and Agreement.

13 DATED: 02-21-06


14 LUIS CEBALLOS, Respondent

15 DATED: 2/21/06

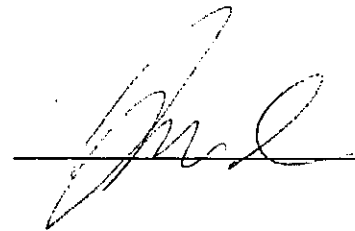

16 OMAR CASTAÑON, ESQ., Attorney for
17 Respondent, Approved as to Form

18 * * *

19 The foregoing Stipulation and Agreement is hereby
20 adopted as my Decision in this matter and shall become effective
21 at 12 o'clock noon on April 12, 2006.

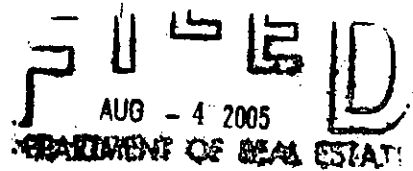
22 IT IS SO ORDERED

3-14-06
23 JEFF DAVI
24 Real Estate Commissioner


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4AC
1 MARTHA J. ROSETT, Counsel (SBN 142072)
2 Department of Real Estate
3 320 West Fourth St., #350
4 Los Angeles, CA 90013-1105

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6 (213) 576-6907



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8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * * *

11 In the Matter of the Accusation of)
12 LUIS CEBALLOS,)
13 Respondent.)
14)

No. H-32129 IA

A C C U S A T I O N

15
16 The Complainant, Maria Suarez, a Deputy Real Estate
17 Commissioner of the State of California, for cause of Accusation
18 against LUIS CEBALLOS, aka Luis Manuel Ceballos, Louis Ceballos
19 and Louis Manuel Ceballos, and Luis Ceballos-Espinosa
20 (hereinafter "Respondent"), is informed and alleges as follows:

21 1.

22 The Complainant, Maria Suarez, a Deputy Real Estate
23 Commissioner of the State of California, makes this Accusation in
24 her official capacity.

25 2.

26 At all times herein mentioned, Respondent was and still
27 is licensed and/or has license rights under the Real Estate Law

1 (Part 1 of Division 4 of the Business and Professions Code) as a
2 real estate broker. Respondent was first licensed by the
3 Department as a real estate broker on or about September 25,
4 1999. He was originally licensed by the Department as a
5 salesperson in 1991.

6 3.

7 On or about November 8, 2004, in the United States
8 District Court, Central District of California, in Case No. SA CR
9 03-306-AHS, Respondent was convicted of violating 18 U.S.C. 1343
10 and 2(b) (Wire Fraud and Aiding and Abetting), crimes of moral
11 turpitude which are substantially related to the qualifications,
12 functions and duties of a real estate licensee. Respondent was
13 placed on two years probation, the terms and conditions of which
14 included payment of a fine of \$2,500.00, notification of the
15 Department of Real Estate, and advance approval of employment by
16 the Probation Officer.

17 4.

18 The facts and circumstances surrounding Respondent's
19 conviction were as follows:

20 Beginning on a date unknown and continuing through June
21 of 1999, Respondent intentionally engaged in a scheme to defraud
22 lenders and the U.S. Department of Housing and Urban Development
23 ("HUD"). As part of the scheme, Respondent represented
24 prospective property buyers who could not legitimately qualify
25 for FHA insured loans, contacted co-schemers to prepare false and
26 fabricated income and credit related documentation, and used the
27 false documentation to submit to loan brokers and lenders,

1 knowing the false information would be relied upon to fund loans.

2 5.

3 Respondent's conviction, as set forth in Paragraph 3
4 above, constitutes cause for the revocation or suspension of
5 Respondent's license and/or license rights pursuant to Business
6 and Professions Code Sections 490 and/or 10177(b).

7 WHEREFORE, the Complainant prays that a hearing be
8 conducted on the allegations of this Accusation and that upon
9 proof thereof, a decision be rendered imposing disciplinary
10 action against all licenses and/or license rights of Respondent,
11 LUIS CEBALLOS, under the Real Estate Law and for such other and
12 further relief as may be proper under applicable provisions of
13 law.

14 Dated at Los Angeles, California

15 this 29th day of July, 2005.

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18 Deputy Real Estate Commissioner
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24 cc: Luis Ceballos
25 Sacto.
26 Maria Suarez
27 LF