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ELLIOTT MAC LENNAN, SBN 66674
Department of Real Estate
320 West 4th Street, Ste. 350
Los Angeles, California 90013-1105

Telephone: (213) 576-6911 (direct)
-or- (213) 576-6982 (office)

FILED

NOV -7 2008

DEPARTMENT OF REAL ESTATE

BY: *[Signature]*

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	No. H-33920 LA
)	
LILIANA MARGARITA ALVARADO,)	<u>STIPULATION</u>
doing business as Portillo)	<u>AND</u>
Realty and Magnet Realty,)	<u>AGREEMENT</u>
)	
)	
)	
)	
Respondent.)	
)	

It is hereby stipulated by and between Respondent
LILIANA MARGARITA ALVARADO aka Liliana Alvarado and Liliana P.
Alvarado dba Portillo Realty and Magnet Realty, (sometimes
referred to as "Respondent"), represented by Curt R. Craton,
Esq., Attorney At Law, and the Complainant, acting by and through
Elliott Mac Lennan, Counsel for the Department of Real Estate, as
follows for the purpose of settling and disposing of the First
Amended Accusation ("Accusation"), 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. Respondent filed a Notice of Defense on May 9,
13 2007, 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 he thereby
18 waives his right to require the Commissioner to prove the
19 allegations in the Accusation at a contested hearing held in
20 accordance with the provisions of the APA and that he will waive
21 other rights afforded to him in connection with the hearing such
22 as the right to present evidence in his defense and the right to
23 cross-examine witnesses.
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1 4. This Stipulation is based on the factual
2 allegations contained in the Accusation. In the interest of
3 expedience and economy, Respondent chooses not to contest these
4 allegations, but to remain silent and understands that, as a
5 result thereof, these factual allegations, without being admitted
6 or denied, will serve as a prima facie basis for the disciplinary
7 action stipulated to herein. The Real Estate Commissioner shall
8 not be required to provide further evidence to prove said factual
9 allegations.

10 5. This Stipulation and Respondent's decision not to
11 contest the Accusation is made for the purpose of reaching an
12 agreed disposition of this proceeding and is expressly limited to
13 this proceeding and any other proceeding or case in which the
14 Department of Real Estate ("Department"), the state or federal
15 government, or any agency of this state, another state or federal
16 government is involved, and otherwise shall not be admissible in
17 any other criminal or civil proceedings.

18 6. It is understood by the parties that the Real
19 Estate Commissioner may adopt this Stipulation as his Decision in
20 this matter thereby imposing the penalty and sanctions on
21 Respondent's real estate licenses and license rights as set forth
22 in the "Order" herein below. In the event that the Commissioner
23 in his discretion does not adopt the Stipulation, it shall be
24 void and of no effect and Respondent shall retain the right to a
25 hearing and proceeding on the Accusation under the provisions of
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1 the APA and shall not be bound by any stipulation or waiver made
2 herein.

3 7. The Order or any subsequent Order of the Real
4 Estate Commissioner made pursuant to this Stipulation shall not
5 constitute an estoppel, merger or bar to any further
6 administrative or civil proceedings by the Department of Real
7 Estate with respect to any matters which were not specifically
8 alleged to be causes for Accusation in this proceeding but do
9 constitute a bar, estoppel and merger as to any allegations
10 actually contained in the Accusations against Respondent herein.

11 DETERMINATION OF ISSUES

12 By reason of the foregoing, it is stipulated and agreed
13 that the following determination of issues shall be made:

14 The conduct of LILIANA MARGARITA ALVARADO as described
15 in Paragraph 4, above, is in violation of Business and
16 Professions Code Sections 10145 and 10176(e) and Sections 2832.1,
17 2831.2, 2832(e), 2950(d), 2950(g), 2950(f) and 2951 of Title 10,
18 Chapter 6 of the California Code of Regulations and is a basis
19 for the suspension or revocation of Respondent's license and
20 license rights as violations of the Real Estate Law pursuant to
21 Code Sections 10176(e), 10177(d), 10177(g) and 10177(h).

22 ORDER

23 WHEREFORE, THE FOLLOWING ORDER is hereby made:

24 All licenses and licensing rights of Respondent LILIANA
25 MARGARITA ALVARADO are revoked.
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3 DATED: 10-14-88

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ELLIOTT MAC LENNAN, Counsel for
the Department of Real Estate

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5 * * *

6 EXECUTION OF THE STIPULATION

7 I have read the Stipulation and discussed it with my
8 counsel. Its terms are understood by me and are agreeable and
9 acceptable to me. I understand that I am waiving rights given to
10 me by the California Administrative Procedure Act (including but
11 not limited to Sections 11506, 11508, 11509 and 11513 of the
12 Government Code), and I willingly, intelligently and voluntarily
13 waive those rights, including the right of requiring the
14 Commissioner to prove the allegations in the Accusation at a
15 hearing at which I would have the right to cross-examine
16 witnesses against me and to present evidence in defense and
17 mitigation of the charges.

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MAILING AND FACSIMILE

Respondent (1) shall mail the original signed signature page of the stipulation herein to Elliott Mac Lennan: Attention: Legal Section, Department of Real Estate, 320 W. Fourth St., Suite 350, Los Angeles, California 90013-1105. Additionally, Respondent shall also (2) facsimile a copy of signed signature page, to the Department at the following telephone/fax number: (213) 576-6917, Attention: Elliott Mac Lennan. A facsimile constitutes acceptance and approval of the terms and conditions of this stipulation.

Respondent agrees, acknowledges and understands that by electronically sending to the Department a facsimile copy of Respondent's actual signature as it appears on the stipulation that receipt of the facsimile copy by the Department shall be as binding on Respondent as if the Department had received the original signed stipulation.

DATED: 4-25-08

Liliana M. Alvarado

LILIANA MARGARITA ALVARADO,
Respondent

DATED: 4-25-08

C. R. Craton

CURT R. CRATON, Respondent
Attorney for Respondent
Approved as to form

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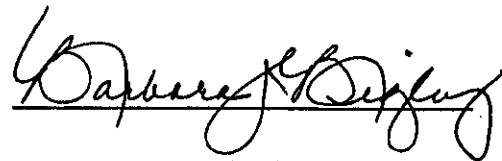
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* * *

1 The foregoing Stipulation and Agreement is hereby
2
3 adopted as my Decision as to Respondent LILIANA MARGARITA
4 ALVARADO and shall become effective at 12 o'clock noon on
5 November 28, 2008.

6 IT IS SO ORDERED 10/31, 2008.

8 JEFF DAVI
9 Real Estate Commissioner

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13 BY: Barbara J. Bigby
14 Chief Deputy Commissioner
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Sato

1 ELLIOTT MAC LENNAN, SBN 66674
2 Department of Real Estate
3 320 West 4th Street, Ste. 350
4 Los Angeles, California 90013-1105
5 Telephone: (213) 576-6911 (direct)
6 -or- (213) 576-6982 (office)

FILED

OCT 14 2008

DEPARTMENT OF REAL ESTATE
BY: *[Signature]*

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

11 In the Matter of the Accusation of)	No. H-33920 LA
12 LILIANA MARGARITA ALVARADO,)	<u>FIRST AMENDED</u>
13 dba Portillo Realty and)	<u>ACCUSATION</u>
14 Magnet Realty,)	
15 Respondent.)	

16 The Accusation filed on April 23, 2007, is amended
17 throughout to change Respondent's name from Liliana P. Alvarado
18 to Liliana Margarita Alvarado as follows:

19 The Complainant, Robin Trujillo, a Deputy Real Estate
20 Commissioner of the State of California, acting in her official
21 capacity, for cause of Accusation against LILIANA MARGARITA
22 ALVARADO, formerly known and licensed as Liliana P. Alvarado dba
23 Portillo Realty and Magnet Realty, is informed and alleges as
24 follows:

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1.

All references to the "Code" are to the California Business and Professions Code and all references to "Regulations" are to Title 10, Chapter 6, California Code of Regulations.

LICENSE HISTORY

2.

At all times mentioned, LILIANA MARGARITA ALVARADO ("ALVARADO"), was licensed or had license rights issued by the Department of Real Estate ("Department") as a real estate broker. On August 21, 1989, ALVARADO was originally licensed as a real estate salesperson. On July 27, 1993, ALVARADO was originally licensed as a real estate broker. On April 21, 1995, in Case No. H-26139 LA, an Accusation was filed against Respondent ALVARADO, that resulted in discipline as set forth below in Paragraph 10.

BROKERAGE

3.

At all times mentioned, in the City of Downey, County of Los Angeles, ALVARADO acted as real estate broker and conducted licensed activities within the meaning of:

A. Code Section 10131(a). ALVARADO operated a residential resale brokerage dba Portillo Realty and Magnet Realty; and

B. Conducted broker-controlled escrows through his escrow division, under the exemption set forth in California Financial Code Section 17006(a)(4) for real estate brokers performing escrows incidental to a real estate transaction where

1 the broker is a party and where the broker is performing acts for
2 which a real estate license is required.

3 AUDIT

4 4.

5 On December 29, 2006, the Department completed an audit
6 examination of the books and records of ALVARADO, pertaining to
7 the residential resales and broker-controlled escrow activities
8 described in Paragraph 3, that require a real estate license..
9 The audit examination covered a period of time beginning on July
10 31, 2005 through August 1, 2006. The audit examination revealed
11 violations of the Code and the Regulations as set forth below,
12 and more fully discussed in Audit Report LA 060013 and LA 060091
13 and the exhibits and workpapers attached to said audit report.
14

15 5.

16 At all times mentioned, in connection with the
17 activities described in Paragraph 4, ALVARADO accepted or
18 received funds in trust (trust funds) from or on behalf of
19 buyers, sellers and borrowers. Thereafter ALVARADO made
20 disposition of such funds. ALVARADO maintained the following
21 trust account into which he deposited certain of these funds:

22 "Liliana Margarita Alvarado dba Portillo Realty Escrow Trust
23 Account
24 Account No. 1891461533"
25 Comercia Bank ("escrow trust account")
El Segundo. California

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1 With respect to the licensed activities referred to in
2 Paragraphs 3 and 5, and the audit examination including the
3 exhibits and workpapers referred to in Paragraph 4, it is alleged
4 that ALVARADO:

5 (a) Permitted, allowed or caused the disbursement of
6 trust funds from the escrow trust account where the disbursement
7 of funds reduced the total of aggregate funds in escrow trust
8 account, to an amount which, on July 31, 2006, was \$38,157.04;
9 less than the existing aggregate trust fund liability to every
10 principal who was an owner of said funds, without first obtaining
11 the prior written consent of the owners of said funds, as
12 required by Code Sections 10145 and 10176(i) and Regulations
13 2832.1, 2950(d), 2950(g) and 2951. ALVARADO used the overdrawn
14 \$38,157.04 escrow monies to fund her business expenses.

15 (b) Commingled and converted trust funds and personal
16 funds by depositing escrow trust funds into her general account
17 to pay business expenses. As of June 30, 2006, a total of
18 \$30,076.48 in trust funds had been commingled and converted, in
19 violation of Code Sections 10176(e) and 10176(i).

20 (c) Failed to perform a monthly reconciliation of the
21 balance of all separate beneficiary or transaction records
22 maintained pursuant to Regulation 2831.1 with the record of all
23 trust funds received and disbursed by the escrow trust account,
24 as required by Code Section 10145 and Regulations 2831.2, 2950(d)
25 and 2951.
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(d) Failed to maintain an adequate control record in the form of a columnar record in chronological order of trust funds received and disbursed from the escrow trust account, as required by Code Section 10145 and Regulation 2831, 2950(d), and 2951. ALVARADO failed to maintain a record of Earnest Money Deposits for buyers Neyson Gomez, Rafael Amesqita and Arturo Valdivia.

(e) Failed to place funds accepted on behalf of buyers and sellers in the form of Earnest Money Deposits, into the hands of the owner of the funds, into a neutral escrow depository or into a trust fund account in the name of the broker as trustee at a bank or other financial institution within three days of receipt, in violation of Code Section 10145 of the Code and Regulations 2832(e), 2950(d), 2950(f) and 2951. Trust funds for Neyson Gomez, Rafael Amesqita and Arturo Valdivia were not placed in the escrow trust account within three days of receipt.

7.

The conduct of Respondent ALVARADO, described in Paragraph 6, violated the Code and the Regulations as set forth:

PARAGRAPH

PROVISIONS VIOLATED

6(a)

Code Sections 10145 and 10176(i) and Regulations 2832.1, 2950(d), 2950(g) and 2951

6(b)

Code Sections 10176(e) and 10176(i)

1 6(c) Code Section 10145 and Regulations
2 2831.2, 2950(d) and 2951

3
4 6(d) Code Section 10145 and Regulations 2831,
5 2950(d) and 2951

6
7 6(e) Code Section 10145 and Regulations
8 2832(e) 2950(d), 2950(f) and 2951

9
10 Each of the foregoing violations constitute cause for the
11 suspension or revocation of the real estate license and license
12 rights of ALVARADO under the provisions of Code Sections
13 10176(e), 10176(i), 10177(d) and/or 10177(g).

14 NEGLIGENCE

15 8.

16 The overall conduct of ALVARADO constitutes negligence
17 or incompetence. This conduct and violation are cause for the
18 suspension or revocation of the real estate license and license
19 rights of Respondent ALVARADO pursuant to Code Section 10177(g).

20 LACK OF SUPERVISION

21 9.

22 The overall conduct of ALVARADO constitutes a failure
23 to exercise supervision and control over the licensed activities
24 of her brokerage. Nor did ALVARADO maintain a system in place
25 for regularly monitoring her compliance with the Real Estate Law
26 especially in regard to establishing policies to review trust
27

1 fund handling, in violation of Regulation 2725. This conduct is
2 cause for the suspension or revocation of the real estate license
3 and license rights of ALVARADO pursuant to the provisions of Code
4 Section 10177(h), 10177(d) and/or 10177(g).

5 PRIOR DEPARTMENT ACTION

6 10.

7 On April 21, 1995, in Case No. H-26139 LA, an
8 Accusation was filed against Respondent ALVARADO, that resulted
9 in discipline after hearing including a thirty day suspension
10 stayed by monetary penalty of ALVARADO's real estate broker
11 license for violations of Code Sections 10145, 10177(d), 10177(g)
12 and 10240 and Regulation Sections 2830, 2831, 2831.1, 2832 and
13 2950(h), effective December 19, 1995.
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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 the license and license rights of Respondent LILIANA MARGARITA ALVARADO, 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 at Los Angeles, California
this 10 day of October 2008.


Deputy Real Estate Commissioner

cc: Liliana Margarita Alvarado
Maria
Sacto
Audits - Darryl Thomas

Handwritten:
Jared
Glas

ELLIOTT MAC LENNAN, SBN 66674
Department of Real Estate
320 West 4th Street, Ste. 350
Los Angeles, California 90013-1105

Telephone: (213) 576-6911 (direct)
-or- (213) 576-6982 (office)

FILED
APR 23 2007
DEPARTMENT OF REAL ESTATE

By R. H. Hederholt

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	No. H-33920 LA
)	
LILIANA P. ALVARADO,)	<u>A C C U S A T I O N</u>
dba Portillo Realty and)	
Magnet Realty,)	
)	
Respondent.)	
)	

The Complainant, Janice Waddell, a Deputy Real Estate Commissioner of the State of California, acting in her official capacity, for cause of Accusation against LILIANA P. ALVARADO aka Liliana Margarita Alvarado dba Portillo Realty and Magnet Realty, is informed and alleges as follows:

1.

All references to the "Code" are to the California Business and Professions Code and all references to "Regulations" are to Title 10, Chapter 6, California Code of Regulations.

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///

LICENSE HISTORY

2.

At all times mentioned, LILIANA P. ALVARADO ("ALVARADO"), was licensed or had license rights issued by the Department of Real Estate ("Department") as a real estate broker. On August 21, 1989, ALVARADO was originally licensed as a real estate salesperson. On July 27, 1993, ALVARADO was originally licensed as a real estate broker. On April 21, 1995, in Case No. H-26139 LA, an Accusation was filed against Respondent ALVARADO, that resulted in discipline as set forth below in Paragraph 10.

BROKERAGE

3.

At all times mentioned, in the City of Downey, County of Los Angeles, ALVARADO acted as real estate broker and conducted licensed activities within the meaning of:

A. Code Section 10131(a). ALVARADO operated a residential resale brokerage dba Portillo Realty and Magnet Realty; and

B. Conducted broker-controlled escrows through his escrow division, under the exemption set forth in California Financial Code Section 17006(a)(4) for real estate brokers performing escrows incidental to a real estate transaction where the broker is a party and where the broker is performing acts for which a real estate license is required.

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AUDIT

4.

On December 29, 2006, the Department completed an audit examination of the books and records of ALVARADO, pertaining to the residential resales and broker-controlled escrow activities described in Paragraph 3, that require a real estate license. The audit examination covered a period of time beginning on July 31, 2005 through August 1, 2006. The audit examination revealed violations of the Code and the Regulations as set forth below, and more fully discussed in Audit Report LA 060013 and LA 060091 and the exhibits and workpapers attached to said audit report.

5.

At all times mentioned, in connection with the activities described in Paragraph 4, ALVARADO accepted or received funds in trust (trust funds) from or on behalf of buyers, sellers and borrowers. Thereafter ALVARADO made disposition of such funds. ALVARADO maintained the following trust account into which he deposited certain of these funds:

"Liliana P. Alvarado dba Portillo Realty Escrow Trust Account
Account No. 1891461533"
Comercia Bank
El Segundo. California ("escrow trust account")

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///

1 With respect to the licensed activities referred to in
2 Paragraphs 3 and 5, and the audit examination including the
3 exhibits and workpapers referred to in Paragraph 4, it is alleged
4 that ALVARADO:

5 (a) Permitted, allowed or caused the disbursement of
6 trust funds from the escrow trust account where the disbursement
7 of funds reduced the total of aggregate funds in escrow trust
8 account, to an amount which, on July 31, 2006, was \$38,157.04,
9 less than the existing aggregate trust fund liability to every
10 principal who was an owner of said funds, without first obtaining
11 the prior written consent of the owners of said funds, as
12 required by Code Sections 10145 and 10176(i) and Regulations
13 2832.1, 2950(d), 2950(g) and 2951. ALVARADO used the overdrawn
14 \$38,157.04 escrow monies to fund her business expenses.

15 (b) Commingled and converted trust funds and personal
16 funds by depositing escrow trust funds into her general account
17 to pay business expenses. As of June 30, 2006, a total of
18 \$30,076.48 in trust funds had been commingled and converted, in
19 violation of Code Sections 10176(e) and 10176(i).

20 (c) Failed to perform a monthly reconciliation of the
21 balance of all separate beneficiary or transaction records
22 maintained pursuant to Regulation 2831.1 with the record of all
23 trust funds received and disbursed by the escrow trust account,
24 as required by Code Section 10145 and Regulations 2831.2, 2950(d)
25 and 2951.
26
27

(d) Failed to maintain an adequate control record in the form of a columnar record in chronological order of trust funds received and disbursed from the escrow trust account, as required by Code Section 10145 and Regulation 2831, 2950(d), and 2951. ALVARADO failed to maintain a record of Earnest Money Deposits for buyers Neyson Gomez, Rafael Amesqita and Arturo Valdivia.

(e) Failed to place funds accepted on behalf of buyers and sellers in the form of Earnest Money Deposits, into the hands of the owner of the funds, into a neutral escrow depository or into a trust fund account in the name of the broker as trustee at a bank or other financial institution within three days of receipt, in violation of Code Section 10145 of the Code and Regulations 2832(e), 2950(d), 2950(f) and 2951. Trust funds for Neyson Gomez, Rafael Amesqita and Arturo Valdivia were not placed in the escrow trust account within three days of receipt.

7.

The conduct of Respondent ALVARADO, described in Paragraph 6, violated the Code and the Regulations as set forth:

PARAGRAPH

PROVISIONS VIOLATED

6(a)

Code Sections 10145 and 10176(i) and Regulations 2832.1, 2950(d), 2950(g) and 2951 .

6(b)

Code Sections 10176(e) and 10176(i)

1
2 6(c) Code Section 10145 and Regulations
3 2831.2, 2950(d) and 2951
4

5 6(d) Code Section 10145 and Regulations 2831,
6 2950(d) and 2951
7

8 6(e) Code Section 10145 and Regulations
9 2832(e) 2950(d), 2950(f) and 2951
10

11 Each of the foregoing violations constitute cause for the
12 suspension or revocation of the real estate license and license
13 rights of ALVARADO under the provisions of Code Sections
14 10176(e), 10176(i), 10177(d) and/or 10177(g).
15

16 NEGLIGENCE

17 8.

18 The overall conduct of ALVARADO constitutes negligence
19 or incompetence. This conduct and violation are cause for the
20 suspension or revocation of the real estate license and license
21 rights of Respondent ALVARADO pursuant to Code Section 10177(g).
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1 LACK OF SUPERVISION

2 9.

3 The overall conduct of ALVARADO constitutes a failure
4 to exercise supervision and control over the licensed activities
5 of his brokerage. Nor did ALVARADO maintain a system in place
6 for regularly monitoring his compliance with the Real Estate Law
7 especially in regard to establishing policies to review trust
8 fund handling, in violation of Regulation 2725. This conduct is
9 cause for the suspension or revocation of the real estate license
10 and license rights of ALVARADO pursuant to the provisions of Code
11 Section 10177(h), 10177(d) and/or 10177(g).

12 PRIOR DEPARTMENT ACTION

13 10.

14 On April 21, 1995, in Case No. H-26139 LA, an
15 Accusation was filed against Respondent ALVARADO, that resulted
16 in discipline after hearing including a thirty day suspension
17 stayed by monetary penalty of ALVARADO's real estate broker
18 license for violations of Code Sections 10145, 10177(d), 10177(g)
19 and 10240 and Regulation Sections 2830, 2831, 2831.1, 2832 and
20 2950(h), effective December 19, 1995.

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1 WHEREFORE, Complainant prays that a hearing be
2 conducted on the allegations of this Accusation and that upon
3 proof thereof, a decision be rendered imposing disciplinary
4 action against the license and license rights of Respondent
5 LILIANA P. ALVARADO, under the Real Estate Law (Part 1 of
6 Division 4 of the Business and Professions Code) and for such
7 other and further relief as may be proper under other applicable
8 provisions of law.
9

10 Dated at Los Angeles, California
11

12 this *29 March 2007*
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15 Deputy Real Estate Commissioner
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25 cc: Liliana P. Alvarado
26 Janice Waddell
27 Sacto
Audits - Darryl Thomas