

*fact*

**FILED**

1 Department of Real Estate  
320 West 4th Street, Ste. 350  
2 Los Angeles, California 90013-1105  
3 Telephone: (213) 576-6982 (office)

JUN -8 2010

DEPARTMENT OF REAL ESTATE  
BY: *[Signature]*

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BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of  
  
NANCY VERONICA CEA, doing business  
as Mission Hills Real Estate,  
Country Hills Mortgage, Sierra Gold  
Mortgage, and Mission Hills Real  
Estate & Investments, and Four Star  
Escrow; and HERMAN FELIZ CEA,  
  
Respondents.

No. H-34967 LA

STIPULATION  
AND  
AGREEMENT

It is hereby stipulated by and between Respondent  
HERMAN FELIX CEA, (sometimes referred to as "Respondent"), 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 Accusation  
("Accusation") filed on May 23, 2008, in this matter:

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

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

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

21 4. This Stipulation is based on the factual  
22 allegations contained in the Accusation. In the interest of  
23 expedience and economy, Respondent chooses not to contest these  
24 allegations, but to remain silent and understands that, as a  
25 result thereof, these factual allegations, without being admitted  
26 or denied, will serve as a prima facie basis for the disciplinary  
27

1 action stipulated to herein. The Real Estate Commissioner shall  
2 not be required to provide further evidence to prove said factual  
3 allegations.

4 5. This Stipulation is made for the purpose of  
5 reaching an agreed disposition of this proceeding and is  
6 expressly limited to this proceeding and any other proceeding or  
7 case in which the Department of Real Estate ("Department"), the  
8 state or federal government, or any agency of this state, another  
9 state or federal government is involved, and otherwise shall not  
10 be admissible in any other criminal or civil proceedings.

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

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

4 DETERMINATION OF ISSUES

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

7 The conduct of HERMAN FELIX CEA, as described in  
8 Paragraph 4, above, constitutes a violation of Business and  
9 Professions Code ("Code") Section 10130. This conduct is a basis  
10 for discipline of Respondent's license pursuant to Code Section  
11 10177(d).

12 ORDER

13 I.

14 All licenses and licensing rights of Respondent HERMAN  
15 FELIX CEA under the Real Estate Law are suspended for a period of  
16 sixty (60) days from the effective date of this Decision.

17 A. Provided, however, that if Respondent requests,  
18 said sixty (60) day suspension shall be stayed for two (2) years  
19 upon condition that:

20 1. Respondent pays a monetary penalty pursuant to  
21 Section 10175.2 of the Business and Professions Code at the rate  
22 of \$40.00 per day for each day of the suspension for a total  
23 monetary penalty of \$2,400.

24 2. Said payment shall be in the form of a cashier's  
25 check or certified check made payable to the Recovery Account of  
26 the Real Estate Fund. Said check must be received by the  
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1 Department prior to the effective date of the Decision in this  
2 matter.

3 3. No further cause for disciplinary action against  
4 the real estate license of Respondent occurs within two (2) years  
5 from the effective date of the Decision in this matter.

6 4. If Respondent fails to pay the monetary penalty in  
7 accordance with the terms of the Decision, the Commissioner may,  
8 without a hearing, order the immediate execution of all or any  
9 part of the stayed suspension, in which event the Respondent  
10 shall not be entitled to any repayment nor credit, prorated or  
11 otherwise, for money paid to the Department under the terms of  
12 this Decision.

13 5. If Respondent pays the monetary penalty and if no  
14 further cause for disciplinary action against the real estate  
15 license of Respondent occurs within two (2) years from the  
16 effective date of the Decision, the stay hereby granted shall  
17 become permanent.  
18  
19  
20  
21

22 DATED: 5-4-10

23 e74  
ELLIOTT MAC LENNAN, Counsel for  
the Department of Real Estate  
24  
25  
26  
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\* \* \*

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

12 MAILING AND FACSIMILE

13 Respondent(s) (1) shall mail the original signed  
14 signature page of the stipulation herein to Elliott Mac Lennan:  
15 Attention: Legal Section, Department of Real Estate, 320 W.  
16 Fourth St., Suite 350, Los Angeles, California 90013-1105.  
17 Additionally, Respondent(s) shall also (2) facsimile a copy of  
18 signed signature page, to the Department at the following  
19 telephone/fax number: (213) 576-6917, Attention: Elliott Mac  
20 Lennan.  
21

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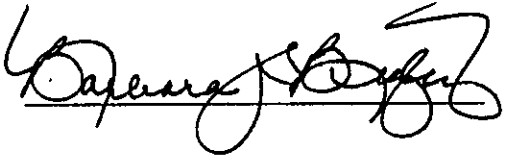
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\* \* \*

The foregoing Stipulation and Agreement is hereby adopted  
as my Decision as to Respondent HERMAN FELIX CEA and shall become  
effective at 12 o'clock noon on June 28, 2010.

IT IS SO ORDERED 6/1, 2010.

JEFF DAVI  
Real Estate Commissioner



BY: Barbara J. Bigby  
Chief Deputy Commissioner



*Sachs*

1 Department of Real Estate  
2 320 West 4th Street, Ste. 350  
3 Los Angeles, California 90013-1105  
4 Telephone: (213) 576-6982 (office)

**FILED**

APR - 9 2009

DEPARTMENT OF REAL ESTATE  
BY: *Ray*

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \*

11	In the Matter of the Accusation of	)	No. H-34967 LA
12	<u>NANCY VERONICA CEA</u> , doing business	)	
13	as Mission Hills Real Estate,	)	<u>STIPULATION</u>
14	Country Hills Mortgage, Sierra Gold	)	<u>AND</u>
15	Mortgage, and Mission Hills Real	)	<u>AGREEMENT</u>
16	Estate & Investments, and Four Star	)	
	Escrow; and HERMAN FELIX CEA,	)	
	Respondents,	)	

17 It is hereby stipulated by and between NANCY VERONICA  
18 CEA (sometimes referred to as ("Respondent")), represented by  
19 Fredrick Ray, Esq. and the Complainant, acting by and through  
20 Elliott Mac Lennan, Counsel for the Department of Real Estate, as  
21 follows for the purpose of settling and disposing of the  
22 Accusation filed on May 23, 2008, in this matter:

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

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

4 2. Respondent has received, read and understands 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. Respondent filed a Notice of Defense pursuant to  
9 Section 11506 of the Government Code for the purpose of  
10 requesting a hearing on the allegations in the Accusation.  
11 Respondent hereby freely and voluntarily withdraws said Notice of  
12 Defense. Respondent acknowledges that she understands that by  
13 withdrawing said Notice of Defense she thereby waives her right  
14 to require the Commissioner to prove the allegations in the  
15 Accusation at a contested hearing held in accordance with the  
16 provisions of the APA and that she will waive other rights  
17 afforded to her in connection with the hearing such as the right  
18 to present evidence in her defense of the allegations in the  
19 Accusation and the right to cross-examine witnesses.  
20

21 4. This Stipulation is based on the allegations  
22 contained in the Accusation. In the interest of expedience and  
23 economy, Respondent chooses not to contest these allegations, but  
24 to remain silent and understands that, as a result thereof, these  
25 allegations, without being admitted or denied, will serve as a  
26 prima facie basis for the disciplinary action stipulated to  
27

1 herein. The Real Estate Commissioner shall not be required to  
2 provide further evidence to prove said allegations.

3 5. This Stipulation is made for the purpose of  
4 reaching an agreed disposition of this proceeding and is  
5 expressly limited to this proceeding and any other proceeding or  
6 case in which the Department of Real Estate ("Department"), the  
7 state or federal government, or any agency of this state, another  
8 state or federal government is involved, and otherwise shall not  
9 be admissible in any other criminal or civil proceedings.

10 6. It is understood by the parties that the Real  
11 Estate Commissioner may adopt this Stipulation as his Decision  
12 in this matter thereby imposing the penalty and sanctions on  
13 Respondents real estate licenses and license rights as set forth  
14 in the "Order" herein below. In the event that the Commissioner,  
15 in his discretion, does not adopt the Stipulation, it shall be  
16 void and of no effect and Respondents shall retain the right to  
17 a hearing and proceeding on the Accusation under the provisions  
18 of the APA and shall not be bound by any stipulation or waiver  
19 made herein.  
20

21 7. The Order or any subsequent Order of the Real  
22 Estate Commissioner made pursuant to this Stipulation shall not  
23 constitute an estoppel, merger or bar to any further  
24 administrative or civil proceedings by the Department of Real  
25 Estate with respect to any matters which were not specifically  
26 alleged to be causes for Accusation in this proceeding but do  
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1 constitute a bar, estoppel and merger as to any allegations  
2 actually contained in the Accusation against Respondents herein.

3 8. Respondent NANCY VERONICA CEA understands that by  
4 agreeing to this Stipulation, Respondent agree to pay, pursuant  
5 to Business and Professions Code Section 10148, the cost of the  
6 three audits. The amount of said cost for said audits are  
7 \$10,864.88.

8 9. Respondent NANCY VERONICA CEA has received, read,  
9 and understood the "Notice Concerning Costs of Subsequent Audit".  
10 Respondent further understands that by agreeing to this  
11 Stipulation, the findings set forth below in the Determination of  
12 Issues become final, and the Commissioner may charge Respondent  
13 for the cost of any subsequent audit conducted pursuant to  
14 Business and Professions Code Section 10148 to determine if the  
15 violations have been corrected. The maximum cost of the  
16 subsequent audit will not exceed \$10,864.88.  
17

18 DETERMINATION OF ISSUES

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

21 The conduct of NANCY VERONICA CEA, as described in  
22 Paragraph 4, above, constitutes a violation of Business and  
23 Professions Code ("Code") Section 10145 and Sections 2831,  
24 2831.1, 2831.2, 2832.1, 2834 and 2950(d) of Title 10, Chapter 6  
25 of the California Code of Regulations and is a basis for  
26 discipline of Respondent's license and license rights as  
27

1 violations of the Real Estate Law pursuant to Code Sections  
2 10177(d) and 10177(h).

3 ORDER

4 WHEREFORE THE FOLLOWING ORDER IS HEREBY MADE:

5 I. The real estate broker license of Respondent NANCY  
6 VERONICA CEA, under the Real Estate Law is revoked; provided,  
7 however, a restricted real estate broker license shall be issued  
8 to said Respondent, pursuant to Section 10156.5 of the Business  
9 and Professions Code if Respondent:

10 Makes application thereof and pays to the Department of  
11 Real Estate the appropriate fee for the restricted license within  
12 ninety (90) days from the effective date of this Decision.

13 The restricted license issued to Respondent shall be  
14 subject to all of the provisions of Section 10156.7 of the  
15 Business and Professions Code and to the following limitations,  
16 conditions and restrictions imposed under authority of Section  
17 10156.6 of that Code:

18 1. The restricted license issued to Respondent may be  
19 suspended prior to hearing by Order of the Real Estate  
20 Commissioner in the event of a Respondent's conviction or plea of  
21 nolo contendere to a crime which is substantially related to a  
22 Respondent's fitness or capacity as a real estate licensee.

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

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

9 II. Pursuant to Section 10148 of the Business and  
10 Professions Code, Respondent NANCY VERONICA CEA shall pay the  
11 Commissioner's reasonable cost for (a) the underlying audit (b) a  
12 subsequent audit to determine if Respondent, is now in compliance  
13 with the Real Estate Law. The cost of the audit which led to  
14 this disciplinary action is \$10,864.88. In calculating the  
15 amount of the Commissioner's reasonable cost, the Commissioner  
16 may use the estimated average hourly salary for all persons  
17 performing audits of real estate brokers, and shall include an  
18 allocation for travel time to and from the auditor's place of  
19 work. Said amount for the prior and subsequent audits shall not  
20 exceed \$21,729.76.  
21

22 Respondent shall pay such cost within 60 days of  
23 receiving an invoice from the Commissioner detailing the  
24 activities performed during the audit and the amount of time  
25 spent performing those activities.

26 ///

1 The Commissioner may suspend the license of Respondent  
2 pending a hearing held in accordance with Section 11500, et seq.,  
3 of the Government Code, if payment is not timely made as provided  
4 for herein, or as provided for in a subsequent agreement between  
5 the Respondent and the Commissioner. The suspension shall remain  
6 in effect until payment is made in full or until Respondent  
7 enters into an agreement satisfactory to the Commissioner to  
8 provide for payment, or until a decision providing otherwise is  
9 adopted following a hearing held pursuant to this condition.

10 III. All licenses and licensing rights of Respondent  
11 NANCY VEFRONICA CEA are indefinitely suspended unless or until  
12 Respondent provides proof satisfactory to the Commissioner, of  
13 having taken and successfully completed the continuing education  
14 course on trust fund accounting and handling specified in  
15 paragraph (3) of subdivision (a) of Section 10170.5 of the  
16 Business and Professions Code. Proof of satisfaction of this  
17 requirement includes evidence that respondent has successfully  
18 completed the trust fund account and handling continuing  
19 education course within 120 days prior to the effective date of  
20 the Decision in this matter.

22 IV. Respondent NANCY VEFRONICA CEA shall within six  
23 months from the effective date of the restricted license, take  
24 and pass the Professional Responsibility Examination administered  
25 by the Department including the payment of the appropriate  
26 examination fee. If Respondent fails to satisfy this condition,  
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1 the Commissioner may order suspension of the restricted license  
2 until Respondent passes the examination.

3 V. Prior to the effective of the Decision herein,  
4 Respondent shall first provide evidence satisfactory to the  
5 Commissioner that the trust fund deficit set forth in the  
6 Accusation and in Audit Report LA 060112, in the amount of  
7 \$23,518.85, as of January 31, 2007, has been cured, including the  
8 identification of the source of funds used to cure the deficit.

9  
10  
11 DATED: \_\_\_\_\_

3-24-09

EL

ELLIOTT MAC LENNAN, Counsel for  
the Department of Real Estate

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14 \* \* \*

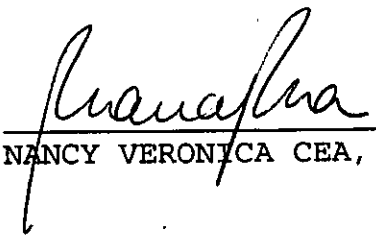
15 I have read the Stipulation and Agreement and discussed  
16 it with my counsel. Its terms are understood by me and are  
17 agreeable and acceptable to me. I understand that I am waiving  
18 rights given to me by the California Administrative Procedure Act  
19 (including but not limited to Sections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

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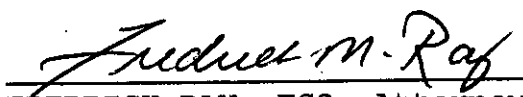


Respondent (1) shall mail to Elliott Mac Lennan:  
Attention: Legal Section, Department of Real Estate, 320 W.  
Fourth St., Suite 350, Los Angeles, California 90013-1105 the  
original signed signature page of the stipulation herein.  
Additionally, Respondent shall also (2) facsimile a copy of  
stipulation signature page, as actually signed by Respondent, 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, which 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: 12/09/08

  
NANCY VERONICA CEA, Respondent

DATED: 12/9/08

  
FREDRICK RAY, ESQ. Attorney for  
NANCY VERONICA CEA, Respondent

///  
///  
///



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**

MAY 23 2008

DEPARTMENT OF REAL ESTATE

BY: A. Suarez

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of )

No. H-34967 LA

12 NANCY VERONICA CEA, doing )  
13 business as Mission Hills Real )  
14 Estate, Country Hills Mortgage, )  
15 Sierra Gold Mortgage, and Mission )  
16 Hills Real Estate & Investments, )  
17 and Four Star Escrow; and )  
18 HERMAN FELIX CEA, )

A C C U S A T I O N

19 Respondents. )

20 The Complainant, Maria Suarez, a Deputy Real Estate  
21 Commissioner of the State of California, acting in her official  
22 capacity, for cause of Accusation against NANCY VERONICA CEA dba  
23 Mission Hills Real Estate, Country Hills Mortgage, Sierra Gold  
24 Mortgage, Mission Hills Real Estate & Investments, and Four Star  
25 Escrow; and HERMAN FELIX CEA is informed and alleges as follows:

26 ///

27 ///

1.

1 All references to the "Code" are to the California  
2 Business and Professions Code and all references to "Regulations"  
3 are to Title 10, Chapter 6, California Code of Regulations.  
4

5 LICENSE HISTORY

6 2.

7 A. At all times mentioned, NANCY VERONICA CEA  
8 ("NANCY CEA"), was licensed or had license rights issued by the  
9 Department of Real Estate ("Department") as a real estate broker.  
10 On August 22, 1997, NANCY CEA was originally licensed as a real  
11 estate broker.

12 B. On June 9, 1999, HERMAN FELIX CEA ("HERMAN CEA"),  
13 was originally licensed or had license rights issued by the  
14 Department as a real estate salesperson. Between June 8, 2003  
15 and May 3, 2006, HERMAN CEA's salesperson license had expired  
16 without renewal. On May 03, 2006, HERMAN CEA was originally  
17 licensed as a real estate broker.

18 LICENSED ACTIVITIES AND BROKERAGE

19 3.

20 At all times mentioned, in the City of Santa Ana,  
21 County of Orange, NANCY CEA acted as real estate broker and  
22 conducted licensed activities within the meaning of:

23 A. Code Section 10131(a). NANCY CEA dba Mission Hills  
24 Real Estate and Mission Hills Real Estate & Investments, engaged  
25 in the business of, acted in the capacity of, advertised or  
26 assumed to act as a real estate broker, including the  
27

1 solicitation for listings of and the negotiation of the sale of  
2 real property as the agent of others.

3 B. Code Section 10131(d). NANCY CEA dba Country Hills  
4 Mortgage, Sierra Gold Mortgage, and Mission Hills Real Estate &  
5 Investments, engaged in activities with the public wherein  
6 lenders and borrowers were solicited for loans secured directly  
7 or collaterally by liens on real property, wherein such loans  
8 were arranged, negotiated, processed and consummated on behalf of  
9 others for compensation or in expectation of compensation and for  
10 fees often collected in advance; and

11 C. Conducted broker-controlled escrows through her in-  
12 house escrow, Four Star Escrow, under the exemption set forth in  
13 California Financial Code Section 17006(a)(4) for real estate  
14 brokers performing escrows incidental to a real estate  
15 transaction where the broker is a party and where the broker is  
16 performing acts for which a real estate license is required.

17 FIRST CAUSE OF ACTION

18 RESIDENTIAL RESALE AUDIT

19 4.

20  
21 On November 8, 2006, the Department completed an audit  
22 examination of the books and records of NANCY CEA, pertaining to  
23 the residential resale activities described in Paragraph 3, that  
24 require a real estate license. The audit examination covered a  
25 period of time beginning on November 1, 2004 through September  
26 30, 2006. The audit examination revealed violations of the Code  
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1 and the Regulations as set forth below, and more fully discussed  
2 in Audit Report LA 050276 and the exhibits and workpapers  
3 attached to said audit report.

4 5.

5 At all times mentioned, in connection with the  
6 activities described in Paragraph 4, NANCY CEA accepted or  
7 received funds in trust in the form of earnest money deposits  
8 (trust funds) from or on behalf of buyers, sellers borrowers and  
9 escrow holders. Thereafter NANCY CEA made disposition of such  
10 funds. During the audit period, NANCY CEA did not maintain a  
11 trust account:

12 RESIDENTIAL RESALE AUDIT

13 VIOLATIONS OF THE REAL ESTATE LAW

14 6.

15 With respect to the licensed activities referred to in  
16 Paragraphs 3 and 5, and the audit examination including the  
17 exhibits and workpapers referred to in Paragraph 4, it is alleged  
18 that NANCY CEA and HERMAN CEA (where noted):

19 (a) (1) Employed and compensated Herman Cea, Javier  
20 Gaitan, and Mario Guillen, for performing acts for which a real  
21 estate license is required, including soliciting and negotiating  
22 residential resales and mortgage loan transactions, in violation  
23 of Code Section 10137; and

24 (a) (2) HERMAN CEA negotiated the Armando Lugo and  
25 Modesta Diego transactions, during the period of time, to wit,  
26  
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1 between June 8, 2003 and May 3, 2006, when his salesperson  
2 license had expired and was not renewed, in violation of Section  
3 10130.

4 (b) Misrepresented to seller Kevin/Trian Andrews that  
5 NANCY CEA held a \$3,000 buyer's earnest money deposit, check #603  
6 dated March 10, 2005 for the Modesta Diego transaction for the  
7 real property located at 138 Gilmore Street, Perris, California,  
8 in violation of Code Sections 10176(a) and/or 10177(g).

9 (c) Failed to maintain a control record in the form of  
10 a columnar record in chronological order of all "Trust Funds  
11 Received, Not Placed Broker's Trust Account", to wit, the \$3,000  
12 Modesta Diego earnest money deposit, in violation of Code Section  
13 10145 and Regulation 2831.

14 (d) Failed to place trust funds, including credit  
15 report and appraisal fees, accepted on behalf of another into the  
16 hands of the owner of the funds, a neutral escrow depository or  
17 into a trust fund account in the name of the trustee at a bank or  
18 other financial institution not later than three business days  
19 following receipt of the funds by the broker or by the broker's  
20 salesperson, as required by Code Section 10145 and Regulation  
21 2832(d). The earnest money deposits for the Arturo Enriquez and  
22 Daniel Hernandez sales transaction were held beyond three days;  
23 and  
24

25 (e) Used the fictitious name of "Mission Hills Real  
26 Estate Inc.", to conduct licensed activities including mortgage  
27

1 loans and broker-controlled escrows without holding a license  
2 bearing said fictitious business name, in violation of Code  
3 Section 10159.5 and Regulation 2731.

4 RESIDENTIAL RESALE AUDIT

5 DISCIPLINARY STATUTES AND REGULATIONS

6 7.

7 The conduct of Respondent NANCY CEA, described in  
8 Paragraph 6, violated the Code and the Regulations as set forth:

9 <u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
10 6(a)(1)	Code Section 10137
11	
12	
13	
14 6(a)(2)	Code Section 10130 (HERMAN CEA only)
15	
16	
17 6(b)	Code Sections 10176(a) and 10177(g)
18	
19	
20 6(c)	Code Section 10145 and Regulation 2831
21	
22	
23	
24 6(d)	Code Section 10145 and Regulation 25 2832(d)
26	
27 6(e)	Code Section 10159.5 and Regulation 2731



1 Each of the foregoing violations constitute cause for the  
2 suspension or revocation of the real estate license and license  
3 rights of NANCY CEA and HERMAN FELIX CEA under the provisions of  
4 Code Sections 10176(a), 10177(d) and/or 10177(g).

5 SECOND CAUSE OF ACTION

6 MORTGAGE LOAN AUDIT

7 8.

8  
9 On February 23, 2007, the Department completed an audit  
10 examination of the books and records of NANCY CEA, pertaining to  
11 the mortgage and loan activities described in Paragraph 3, which  
12 require a real estate license. The audit examination covered a  
13 period of time beginning on November 1, 2004 through January 31,  
14 2007. The audit examination revealed violations of the Code and  
15 the Regulations as set forth below, and more fully discussed in  
16 Audit Report LA 060111 and the exhibits and workpapers attached  
17 to said audit report.

18 9.

19 At all times mentioned, in connection with the  
20 activities described in Paragraph 4, NANCY CEA accepted or  
21 received funds in trust in the form of credit report and  
22 appraisal fees (trust funds) from or on behalf of buyers, sellers  
23 borrowers and escrow holders. Thereafter NANCY CEA made  
24 disposition of such funds. During the audit period, NANCY CEA  
25 did not maintain a trust account.

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MORTGAGE LOAN AUDIT

VIOLATIONS OF THE REAL ESTATE LAW

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4 With respect to the licensed activities referred to in  
5 Paragraphs 3 and 9, and the audit examination including the  
6 exhibits and workpapers referred to in Paragraph 8, it is alleged  
7 that NANCY CEA:

8 (a) Mixed and commingled trust funds and personal funds  
9 by depositing credit report and appraisal fees received from  
10 escrow companies into NANCY CEA's general operating account and  
11 issuing checks from said account to the appraisers or credit  
12 companies after the escrow checks were deposited, in violation of  
13 Code Sections 10145, 10176(e) and 2832(a).

14 (b) Failed to maintain a control record in the form of  
15 a columnar record maintained in chronological order of all "Trust  
16 Funds Received, Not Placed Broker's Trust Account", to wit,  
17 credit report and appraisal fees, in violation of Code Section  
18 10145 and Regulation 2831.

19 (c) Failed to maintain a separate record for the credit  
20 report and appraisal fees, in violation of Code Section 10145 and  
21 Regulation 2831.1

22  
23 (d) Failed to provide, maintain or retain a true,  
24 complete and correct copy of a Department of Real Estate approved  
25 Mortgage Loan Disclosure Statement signed by the broker for  
26 borrowers Vianey/Jose Martinez, Martin/Lydia Alvarez, Carlos  
27

1 Soria Garcia, David Valdez, Jose/Maria Chavez, Juan/Irma Flores,  
2 and Maria, in violation of Code Section 10240 and Regulation  
3 2840.

4 MORTGAGE LOAN AUDIT

5 DISCIPLINARY STATUTES AND REGULATIONS

6 11.

7 The conduct of Respondent NANCY CEA, described in  
8 Paragraph 8, violated the Code and the Regulations as set forth:

9 <u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
10 10(a)	Code Sections 10145, 10176(e) and 11 Regulation 2832(a)
12	
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15 10(b)	Code Section 10145 and Regulation 2831
16	
17	
18 10(c)	Code Section 10145 and Regulation 2831.1
19	
20	
21 10(d)	Code Section 10240 and Regulation 2840
22	

23 Each of the foregoing violations constitute cause for the  
24 suspension or revocation of the real estate license and license  
25 rights of NANCY CEA under the provisions of Code Sections  
26 10176(e), 10177(d) and/or 10177(g).  
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THIRD CAUSE OF ACTION

BROKER ESCROW AUDIT

12.

On February 23, 2007, the Department completed an audit examination of the books and records of NANCY CEA, pertaining to the broker-controlled escrow activities described in Paragraph 3, which require a real estate license. The audit examination covered a period of time beginning on November 1, 2004 through January 31, 2007. The audit examination revealed violations of the Code and the Regulations as set forth below, and more fully discussed in Audit Report LA 060112 and the exhibits and workpapers attached to said audit report.

13.  
14

At all times mentioned, in connection with the activities described in Paragraph 4, NANCY CEA accepted or received funds in trust in the form of earnest money deposits (trust funds) from or on behalf of buyers, sellers, borrowers, lenders and escrow holders and thereafter made deposits and/or disbursements of such funds. From time to time herein mentioned during the audit period, said trust funds were deposited and/or maintained by NANCY CEA in the bank accounts as follows:

"Four Star Escrow by Trustee Nancy CEA Trust Account  
Account No. 5831005201"  
Union Bank of California  
500 So. Main Street  
Orange, CA 92868

("T/A #1")

1 "Four Star Escrow  
Account No. 0390058926  
2 Union Bank of California  
3 500 So. Main Street  
Orange, CA 92868

("B/A #1")

4  
5 VIOLATIONS OF THE REAL ESTATE LAW

6 BROKER ESCROW AUDIT

7 14.

8  
9 With respect to the licensed activities referred to in  
10 Paragraphs 3 and 13, and the audit examination including the  
11 exhibits and workpapers referred to in Paragraph 12, it is  
12 alleged that NANCY CEA:

13 (a) Permitted, allowed or caused the disbursement of  
14 trust funds from B/A #1 account where the disbursement of funds  
15 reduced the total of aggregate funds in B/A #1, to an amount  
16 which, on January 31, 2007, was \$23,518.85, less than the  
17 existing aggregate trust fund liability to every principal who  
18 was an owner of said funds, without first obtaining the prior  
19 written consent of the owners of said funds, as required by Code  
20 Section 10145 and Regulations 2832.1, 2950(d), 2950(g) and 2951.

21 (b) Failed to disburse \$375.42 from NANCY CEA's general  
22 account, in violation of Code Section 10145 and Regulation 2835.  
23 From December 16, 2004 through February 21, 2005, \$375.42  
24 remained in her general account and therefore was not disbursed  
25 within twenty-five (25) days of deposit, as required by Code  
26 Section 10145 and Regulations 2835, 2950(d) and 2951.  
27

1 (c) B/A #2 was not in the name of the broker as trustee  
2 at a bank or other financial institution, nor designated as a  
3 trust account, in violation of Code Section 10145 of the Code and  
4 Regulations 2832(a), 2950(d) and 2951.

5 (d) While acting in the capacity of an escrow holder in  
6 six purchase and sale transactions, escrow numbers 1149, 2049,  
7 2040, 2055, 2107 and 2111, failed to place trust funds, accepted  
8 on behalf of another into the hands of the owner of the funds, a  
9 neutral escrow depository or into a trust fund account in the  
10 name of the broker at a bank or other financial institution not  
11 later than the next business day following receipt of the funds  
12 by the broker or by the broker's salesperson, as required by Code  
13 Section 10145 and Regulations 2832(e), 2950(f) and 2951.

14 (e) Failed to maintain an accurate and complete control  
15 record in the form of a columnar record in chronological order of  
16 all trust funds received, deposited and disbursed, in violation  
17 of Code Section 10145 and Regulations 2831, 2950(d) and 2951.

18 (f) Failed to maintain a separate record for each  
19 beneficiary or transaction, thereby failing to account for all  
20 trust funds received, including credit report fees and appraisal  
21 fees, as required by Code Section 10145 and Regulations 2831.1,  
22 2950(d) and 2951.

23 (g) Failed to perform a monthly reconciliation of the  
24 balance of all separate beneficiary or transaction records  
25 maintained pursuant to Regulation 2831.1 with the record of all  
26  
27

1 trust funds received and disbursed by the escrow trust account,  
2 as required by Code Section 10145 and Regulations 2831.2, 2950(d)  
3 and 2951.

4 (h) Permitted Miguel Estevez, an unlicensed and  
5 unbonded person, to be an authorized signatory on T/A #1, in  
6 violation of Code Section 10145 and Regulations 2834, 2950(d) and  
7 2951.

8 (i) Failed to disclose in writing to all parties of her  
9 financial interest and ownership of Four Star Escrow, as required  
10 by Code Section 10145 and Regulation 2950(h).

11 BROKER ESCROW AUDIT

12 DISCIPLINARY STATUTES AND REGULATIONS

13 15.

14 The conduct of Respondent NANCY CEA, described in  
15 Paragraph 14, violated the Code and the Regulations as set forth:

17 <u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
18 14(a)	Code Sections 10145 and Regulations 19 2832.1, 2950(d), 2950(g) and 2951 20
21 14(b)	Code Sections 10145 and 10176(e) and 22 Regulations 2835, 2950(d) and 2951 23
24 14(c)	Code Section 10145 and Regulations 25 2832(a), 2950(d) and 2951 26 27

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- 14(d) Code Section 10145 and Regulations  
2832(e), 2950(f) and 2951
- 14(e) Code Section 10145 and Regulations 2831,  
2950(d) and 2951
- 14(f) Code Section 10145 and Regulations  
2831.1, 2950(d) and 2951
- 14(g) Code Section 10145 and Regulations  
2831.2, 2950(d) and 2951
- 14(h) Code Section 10145 and Regulations 2834,  
2950(d) and 2951
- 14(i) Code Section 10145 and Regulation  
2950(h)

Each of the foregoing violations constitute cause for the suspension or revocation of the real estate license and license rights of NANCY CEA under the provisions of Code Sections 10176(e), 10176(g), 10177(d) and/or 10177(g).

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NEGLIGENCE

16.

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3 The overall conduct of NANCY CEA and HERMAN CEA  
4 constitutes negligence and is cause for discipline of the real  
5 estate license and license rights of NANCY CEA and HERMAN CEA  
6 pursuant to Code Section 10177(g).

7 LACK OF SUPERVISION AND COMPLIANCE

8 17.

9 The overall conduct of NANCY CEA constitutes a failure  
10 to exercise supervision and control over the licensed activities  
11 of her brokerage. Nor did NANCY CEA maintain a system in place  
12 for regularly monitoring her compliance with the Real Estate Law  
13 especially in regard to establishing policies to review trust  
14 fund handling and record keeping for her client's trust funds or  
15 for supervising salesperson and loan agents, in violation of Code  
16 Sections 10177(d), 10177(h) and/or 10177(g).

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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 NANCY  
5 VERONICA CEA and HERMAN FELIX CEA, under the Real Estate Law  
6 (Part 1 of Division 4 of the Business and Professions Code) and  
7 for such other and further relief as may be proper under other  
8 applicable provisions of law.

9  
10 Dated at Los Angeles, California

11 this *27th day of May 2008*

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14 \_\_\_\_\_  
15 Deputy Real Estate Commissioner  
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23 cc: Nancy Veronica Cea  
24 Herman Felix Cea  
25 Maria Suarez  
26 Sacto  
27 Audits - Lisa Kwong