

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

FILED

DEC 14 2009

DEPARTMENT OF REAL ESTATE

BY: *[Signature]*

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)
12)
13 SALOMON MARTIN RIVERA, doing)
business as Montebello Financial)
14 Services, Salomon Mortgage,)
and Salomon Mortgage and)
15 Investments; and BRENDA)
ANGELICA COTE doing business)
16 as Merito Real Estate & Financial)
Services,)
Respondent.)

No. H-35444 LA

L-2009020170

STIPULATION
AND
AGREEMENT

18 It is hereby stipulated by and between SALOMON MARTIN
19 RIVERA (sometimes referred to as "Respondent"), and the
20 Complainant, acting by and through Elliott Mac Lennan, Counsel
21 for the Department of Real Estate, as follows for the purpose of
22 settling and disposing of the Accusation filed on November 3,
23 2008, 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
26 at a formal hearing on the Accusation, which hearing was to be
27

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

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

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

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 allegations, without being admitted or
26 denied, will serve as a prima facie basis for the disciplinary
27 action stipulated to herein. The Real Estate Commissioner shall

1 not be required to provide further evidence to prove said
2 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"), or
7 another licensing agency of this state, another state or if the
8 federal government is involved, and otherwise shall not be
9 admissible in any other civil or criminal proceeding.

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

DETERMINATION OF ISSUES

1 By reason of the foregoing stipulations and waivers and
2 solely for the purpose of settlement of the pending Accusation
3 without a hearing, it is stipulated and agreed that the following
4 determination of issues shall be made:
5

6 The conduct of SALOMON MARTIN RIVERA as described in
7 Paragraph 4, above, constitutes a violation of Business and
8 Professions Code Sections 10137, 10145, 10176(a), 10176(e),
9 10176(g), 10240 and 10236.4(b) and violations of Title 10,
10 Chapter 6, California Code of Regulations Sections 2831, 2831.1
11 and 2840 and is a basis for discipline of Respondent's license
12 pursuant to Code Sections 10177(d), 10177(g) and 10177(h).
13

ORDER

14 WHEREFORE THE FOLLOWING ORDER IS HEREBY MADE:

I.

15
16 The real estate broker license and license rights of
17 Respondent SALOMON MARTIN RIVERA under the Real Estate Law are
18 revoked; provided, however, a restricted real estate salesperson
19 license shall be issued to Respondent, pursuant to Section
20 10156.5 of the Business and Professions Code, if Respondent makes
21 application therefor and pays to the Department of Real Estate
22 the appropriate fee for the restricted license within ninety (90)
23 days from the effective date of this Decision. The restricted
24 license issued to Respondent shall be subject to all of the
25 provisions of Section 10156.7 of the Code and the following
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1 limitations, conditions and restrictions imposed under authority
2 of Section 10156.6 of that Code:

3 1. The restricted salesperson license issued to
4 Respondent may be suspended prior to hearing by Order of the Real
5 Estate Commissioner in the event of Respondent's conviction or
6 plea of nolo contendere to a crime which is substantially related
7 to Respondent's fitness or capacity as a real estate licensee.

8 2. The restricted salesperson license issued to
9 Respondent may be suspended prior to hearing by Order of the Real
10 Estate Commissioner on evidence satisfactory to the Commissioner
11 that Respondent has violated provisions of the California Real
12 Estate Law, the Subdivided Lands Law, Regulations of the Real
13 Estate Commissioner or conditions attaching to the restricted
14 license.

15 3. Respondent shall not be eligible to apply for the
16 issuance of an unrestricted real estate license nor for the
17 removal of any of the conditions, limitations or restrictions of
18 a restricted license until four (4) years has elapsed from the
19 effective date of this Decision.

20 4. Respondent shall submit with any application for
21 license under an employing broker, or any application for
22 transfer to a new employing broker, a statement signed by the
23 prospective employing real estate broker on a form approved by
24 the Department of Real Estate which shall certify:
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1 (a) That the employing broker has read
2 the Decision of the Commissioner which granted the right to a
3 restricted license; and

4 (b) That the employing broker will exercise
5 close supervision over the performance by the restricted licensee
6 relating to activities for which a real estate license is
7 required.

8 5. Respondent SALOMON MARTIN RIVERA shall, within nine
9 (9) months from the effective date of this Decision, present
10 evidence satisfactory to the Real Estate Commissioner that
11 Respondent has, since the most recent issuance of an original or
12 renewal real estate license, taken and successfully completed the
13 continuing education requirements of Article 2.5 of Chapter 3 of
14 the Real Estate Law for renewal of a real estate license. If
15 Respondent fails to satisfy this condition, the Commissioner may
16 order the suspension of the restricted license until Respondent
17 presents such evidence. The Commissioner shall afford Respondent
18 the opportunity for a hearing pursuant to the Administrative
19 Procedure Act to present such evidence.
20

21 II.

22 All licenses and licensing rights of Respondent SALOMON
23 MARTIN RIVERA under the Real Estate Law are suspended for a
24 period of sixty (60) days from the issuance of the restricted
25 salesperson license.

26 ///

1 A. Provided, however, that if Respondent requests, the
2 initial thirty (30) days of said suspension (or a portion
3 thereof) shall be stayed for two (2) years upon condition that:

4 1. Respondent pays a monetary penalty pursuant to
5 Section 10175.2 of the Business and Professions Code at the rate
6 of \$166.66 per day for each day of the suspension for a total
7 monetary penalty of \$5,000.

8 2. Said payment shall be in the form of a cashier's
9 check or certified check made payable to the Recovery Account of
10 the Real Estate Fund. Said check must be received by the
11 Department prior to the effective date of the Decision in this
12 matter.

13 3. No further cause for disciplinary action against
14 the real estate license of Respondent occurs within two (2) years
15 from the issuance of the restricted salesperson license in this
16 matter.

17 4. If Respondent fails to pay the monetary penalty in
18 accordance with the terms of the Decision, the Commissioner may,
19 without a hearing, order the immediate execution of all or any
20 part of the stayed suspension, in which event the Respondent
21 shall not be entitled to any repayment nor credit, prorated or
22 otherwise, for money paid to the Department under the terms of
23 this Decision.

24 5. If Respondent pays the monetary penalty and if no
25 further cause for disciplinary action against the real estate
26
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1 license of Respondent occurs within two (2) years from the
2 issuance of the restricted salesperson license, the stay hereby
3 granted shall become permanent.

4 B. The remaining thirty (30) days of the sixty (60)
5 day suspension shall be stayed for two (2) years upon the
6 following terms and conditions:

7 1. Respondent shall obey all laws, rules and
8 regulations governing the rights, duties and responsibilities of
9 a real estate licensee in the State of California; and

10 2. That no final subsequent determination be made
11 after hearing or upon stipulation, which cause for disciplinary
12 action occurred within two (2) years from the date of issuance of
13 the restricted salesperson license. Should such a determination
14 be made, the Commissioner may, in his discretion, vacate and set
15 aside the stay order and reimpose all or a portion of the stayed
16 suspension. Should no such determination be made, the stay
17 imposed herein shall become permanent.

18
19 III.

20 All licenses and licensing rights of Respondent SALOMON
21 MARTIN RIVERA are indefinitely suspended unless or until
22 Respondent provides proof satisfactory to the Commissioner, of
23 having taken and successfully completed the continuing education
24 course on trust fund accounting and handling specified in
25 paragraph (3) of subdivision (a) of Section 10170.5 of the
26 Business and Professions Code. Proof of satisfaction of this
27 requirement includes evidence that respondent has successfully

1 completed the trust fund account and handling continuing
2 education course within 120 days prior to the issuance of the
3 restricted license.

4 IV.

5 Respondent SALOMON MARTIN RIVERA shall within six (6) months
6 from the issuance of the restricted salesperson license herein,
7 take and pass the Professional Responsibility Examination
8 administered by the Department including the payment of the
9 appropriate examination fee. If Respondent fails to satisfy this
10 condition, the Commissioner may order suspension of Respondent's
11 restricted salesperson license until Respondent passes the
12 examination.

13
14
15 DATED: _____

10-8-09

15 EJL
16 ELLIOTT MAC LENNAN, Counsel for
17 the Department of Real Estate

17 * * * *

18 EXECUTION OF THE STIPULATION

19 I have read the Stipulation. Its terms are understood
20 by me and are agreeable and acceptable to me. I understand that
21 I am 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
27


1 cross-examine witnesses against me and to present evidence in
2 defense and mitigation of the charges.

3 MAILING AND FACSIMILE

4 Respondent (1) shall mail the original signed signature
5 page of the stipulation herein to Elliott Mac Lennan: Attention:
6 Legal Section, Department of Real Estate, 320 W. Fourth St.,
7 Suite 350, Los Angeles, California 90013-1105. Additionally,
8 Respondent shall also (2) facsimile a copy of signed signature
9 page, to the Department at the following telephone/fax number:
10 (213) 576-6917, Attention: Elliott Mac Lennan. A facsimile
11 constitutes acceptance and approval of the terms and conditions
12 of this stipulation.

13 Respondent agrees, acknowledges and understands that by
14 electronically sending to the Department a facsimile copy of
15 Respondent's actual signature as it appears on the stipulation
16 that receipt of the facsimile copy by the Department shall be as
17 binding on Respondent as if the Department had received the
18 original signed stipulation.
19

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21
22 DATED: 10-08-2009


23 SALOMON MARTIN RIVERA, Respondent

24 ///

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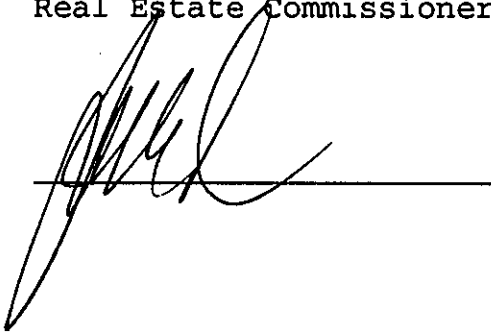
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The foregoing Stipulation and Agreement is hereby
adopted as my Decision and shall become effective at
12 o'clock noon on January 13, 2010

IT IS SO ORDERED 11-25, 2009.

JEFF DAVI
Real Estate Commissioner



A handwritten signature in black ink, appearing to read 'JEFF DAVI', is written over a horizontal line. The signature is stylized and cursive.

Sado

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

FILED

DEC 14 2009

DEPARTMENT OF REAL ESTATE
BY: *[Signature]*

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)
12)
13 SALOMON MARTIN RIVERA, doing)
14 business as Montebello Financial)
15 Services, Salomon Mortgage,)
16 and Salomon Mortgage and)
17 Investments; and BRENDA)
ANGELICA COTE doing business)
as Merito Real Estate & Financial)
Services,)
Respondent.)

No. H-35444 LA

L-2009020170

STIPULATION
AND
AGREEMENT

18 It is hereby stipulated by and between Respondent
19 BRENDA ANGELICA COTE (sometimes referred to as (Respondent),
20 represented by Mary E. Work, Esq., and the Complainant, acting by
21 and through Elliott Mac Lennan, Counsel for the Department of
22 Real Estate, as follows for the purpose of settling and disposing
23 of the Accusation (Accusation) filed on November 3, 2008, in this
24 matter:
25

- 26 1. All issues which were to be contested and all
27 evidence which was to be presented by Complainant and Respondent

1 at a formal hearing on the Accusation, which hearing was to be
2 held in accordance with the provisions of the Administrative
3 Procedure Act ("APA"), shall instead and in place thereof be
4 submitted solely on the basis of the provisions of this
5 Stipulation and Agreement ("Stipulation").

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

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

23 4. This Stipulation is based on the factual
24 allegations contained in the Accusation. In the interest of
25 expedience and economy, Respondent chooses not to contest these
26 allegations, but to remain silent and understands that, as a
27

1 result thereof, these factual allegations, without being admitted
2 or denied, will serve as a prima facie basis for the disciplinary
3 action stipulated to herein. The Real Estate Commissioner shall
4 not be required to provide further evidence to prove said factual
5 allegations.

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

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

24 7. The Order or any subsequent Order of the Real
25 Estate Commissioner made pursuant to this Stipulation shall not
26 constitute an estoppel, merger or bar to any further
27

1 administrative or civil proceedings by the Department of Real
2 Estate with respect to any matters which were not specifically
3 alleged to be causes for Accusation in this proceeding but do
4 constitute a bar, estoppel and merger as to any allegations
5 actually contained in the Accusations against Respondent herein.

6 DETERMINATION OF ISSUES

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

9 The conduct of BRENDA ANGELICA COTE, as described in
10 Paragraph 4, above, is in violation of Business and Professions
11 Code Sections 10177(g) and is a basis for discipline of
12 Respondent's license and license rights as violations of the Real
13 Estate Law there under.

14 ORDER

15 WHEREFORE, THE FOLLOWING ORDER is hereby made:

16 I. All licenses and licensing rights of Respondent
17 BRENDA ANGELICA COTE under the Real Estate Law are suspended for
18 a period of sixty (60) days from the effective date of this
19 Decision.

20
21 A. Provided, however, that if Respondent requests, the
22 initial thirty (30) days of said suspension (or a portion
23 thereof) shall be stayed for two (2) years upon condition that:

24 1. Respondent pays a monetary penalty pursuant to
25 Section 10175.2 of the Business and Professions Code at the rate
26
27

1 of \$66.66 per day for each day of the suspension for a total
2 monetary penalty of \$2,000.

3 2. Said payment shall be in the form of a cashier's
4 check or certified check made payable to the Recovery Account of
5 the Real Estate Fund. Said check must be received by the
6 Department prior to the effective date of the Decision in this
7 matter.

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

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

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

23 B. The remaining thirty (30) days of the sixty (60)
24 day suspension shall be stayed for two (2) years upon the
25 following terms and conditions:
26
27

1 1. Respondent shall obey all laws, rules and
2 regulations governing the rights, duties and responsibilities of
3 a real estate licensee in the State of California; and

4 2. That no final subsequent determination be made
5 after hearing or upon stipulation, that cause for disciplinary
6 action occurred within two (2) years from the effective date of
7 this Decision. Should such a determination be made, the
8 Commissioner may, in his discretion, vacate and set aside the
9 stay order and reimpose all or a portion of the stayed
10 suspension. Should no such determination be made, the stay
11 imposed herein shall become permanent.

12 II. Respondent BRENDA ANGELICA COTE shall within six
13 (6) months from the effective date of the Decision herein, take
14 and pass the Professional Responsibility Examination administered
15 by the Department including the payment of the appropriate
16 examination fee. If Respondent fails to satisfy this condition,
17 the Commissioner may order suspension of Respondent's license
18 until Respondent passes the examination.
19

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22 DATED: 10-8-09

ELI
ELLIOTT MAC LENNAN, Counsel for
the Department of Real Estate

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* * *

EXECUTION OF THE STIPULATION

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

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MAILING AND FACSIMILE

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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: 10-8-2009 Brenda Cote
BRENDA ANGELICA COTE, Respondent

DATED: 11/2/09 [Signature]
MARY E. WORK, Attorney for
BRENDA ANGELICA COTE, Respondent

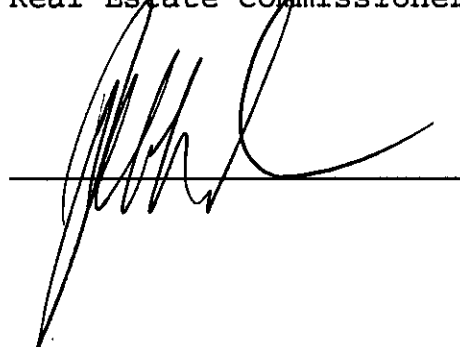
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* * *

1 The foregoing Stipulation and Agreement is hereby
2
3 adopted as my Decision as to Respondent BRENDA ANGELICA COTE and
4 shall become effective at 12 o'clock noon on
5 January 4 , 2010

6 IT IS SO ORDERED 11-25 , 2009.

7
8 JEFF DAVI
9 Real Estate Commissioner

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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

NOV - 3 2008

DEPARTMENT OF REAL ESTATE
BY: *[Signature]*

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)
12 SALOMON MARTIN RIVERA, doing)
13 business as Montebello Financial)
14 Services, Salomon Mortgage,)
15 and Salomon Mortgage and)
16 Investments; and BRENDA)
17 ANGELICA COTE doing business)
18 as Merito Real Estate & Financial)
19 Services,)
20 Respondent.)

No. H- 35444 -LA
A C C U S A T I O N

21 The Complainant, Robin Trujillo, a Deputy Real Estate
22 Commissioner of the State of California, acting in her official
23 capacity, for cause of Accusation against SALOMON MARTIN RIVERA
24 dba Montebello Financial Services, Salomon Mortgage, and Salomon
25 Mortgage and Investments; and, BRENDA ANGELICA COTE dba Merito
26 Real Estate & Financial Services, is informed and alleges as
27 follows:

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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, SALOMON MARTIN RIVERA
8 ("RIVERA"), was licensed or had license rights issued by the
9 Department of Real Estate ("Department") as a real estate broker.
10 On February 7, 1989, RIVERA was originally licensed as a real
11 estate salesperson. On February 1, 2003, RIVERA was originally
12 licensed as a real estate broker.
13

14 B. At all times mentioned, BRENDA ANGELICA COTE
15 ("COTE"), was licensed or had license rights issued by the
16 Department as a real estate broker. On July 10, 1992, COTE was
17 originally licensed as a real estate salesperson. On June 2,
18 2006, COTE was originally licensed as a real estate broker. COTE
19 was employed by and licensed under RIVERA from June 20, 2005 to
20 June 1, 2006, as a broker-associate.
21

22 LICENSED ACTIVITIES AND BROKERAGE

23 3.

24 A. At all times mentioned, in the City of Monterey
25 Park, County of Los Angeles, RIVERA acted as a real estate broker
26 and conducted licensed activities within the meaning of:

27 1. Code Section 10131(a). RIVERA, dba Montebello
Financial Services, engaged in the business of, acted in the

1 capacity of, advertised or assumed to act as a real estate
2 broker, including the solicitation for listings of and the
3 negotiation of the sale of real property as the agent of others.

4 2. Code Section 10131(d). RIVERA, dba Salomon
5 Mortgage, and Salomon Mortgage and Investments, engaged in
6 activities with the public wherein lenders and borrowers were
7 solicited for loans secured directly or collaterally by liens on
8 real property, wherein such loans were arranged, negotiated,
9 processed and consummated on behalf of others for compensation or
10 in expectation of compensation and for fees.

11 B. At all times mentioned, in a branch office of
12 RIVERA, in the City of Ontario, County of Los Angeles, COTE acted
13 as a real estate broker in the capacity of a broker-associate of
14 RIVERA and conducted licensed activities, within the meaning of:

15 1. Code Section 10131(a). COTE, dba Merito Real
16 Estate & Financial Services, engaged in the business of, acted in
17 the capacity of, advertised or assumed to act as a real estate
18 broker, including the solicitation for listings of and the
19 negotiation of the sale of real property as the agent of others.

20 2. Code Section 10131(d). COTE, dba Merito Real
21 Estate & Financial Services, engaged in activities with the
22 public wherein lenders and borrowers were solicited for loans
23 secured directly or collaterally by liens on real property,
24 wherein such loans were arranged, negotiated, processed and
25 consummated on behalf of others for compensation or in
26 expectation of compensation and for fees.

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FIRST CAUSE OF ACTION
ONTARIO BRANCH OFFICE
RESIDENTIAL RESALE AUDIT
Salomon Mortgage and Investments

4.

On February, 2007, the Department completed an audit examination of the books and records of RIVERA, pertaining to the residential resale activities of Salomon Mortgage and Investments described in Paragraph 3, that require a real estate license. The audit examination covered a period of time beginning on January 1, 2005 to July 31, 2006. The audit examination revealed violations of the Code and the Regulations as set forth below, and more fully discussed in Audit Report LA 060058 and the exhibits and workpapers attached to said audit report.

TRUST ACCOUNT

5.

RIVERA did not maintain a trust account during the audit period.

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RESIDENTIAL RESALE AUDIT

ONTARIO BRANCH OFFICE

Salomon Mortgage and Investments

VIOLATIONS OF THE REAL ESTATE LAW

6.

With respect to the licensed activities referred to in Paragraph 3, and the audit examination including the exhibits and workpapers referred to in Paragraph 4, it is alleged that RIVERA and COTE, as noted:

(a) COTE misrepresented to seller Washington Trust that COTE held a \$3,000 buyer's earnest money deposit from buyer Angelica Rodriguez, for the real property located at 916 East Washington, Santa Ana, in violation of Code Sections 10176(a) and/or 10177(g).

(b) Ontario Branch Office. RIVERA and COTE failed to maintain a control record in the form of a columnar record in chronological order of all "Trust Funds Received, Not Placed Broker's Trust Account", including earnest money deposits for buyers Sanguino, Ramirez, Garcia, Estrada and Orellane, in violation of Code Section 10145 and Regulation 2831.

(c) (1) Ontario Branch Office. COTE misrepresented to sellers that she held earnest money deposits for buyers Rodriguez, Saray and Avila Jr., in violation of Section 10176(a) and/or 10177(g).

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1 (c) (2) Main Office. RIVERA misrepresented to sellers
2 that he held earnest money deposits for buyers Leon Wilson,
3 Rankins, Quintero and Miller, in violation of Section 10176(a)
4 and/or 10177(g).

5 RESIDENTIAL RESALE AUDIT
6 MAIN OFFICE AND ONTARIO BRANCH OFFICE
7 Salomon Mortgage and Investments
8 DISCIPLINARY STATUTES AND REGULATIONS

9 7.

10 The conduct of Respondent RIVERA and COTE, described in
11 Paragraph 6, violated the Code and the Regulations as set forth:

12 <u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
13	
14 6(a)	Code Section 10176(a) and 10177(g). 15 (COTE only)
16	
17	
18 6(b)	Code Section 10145 and Regulation 2831. 19 (RIVERA AND COTE)
20	
21	
22 6(c)	Code Sections 10176(a) and 10177(g) 23 (RIVERA and COTE)
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1 Each of the foregoing violations constitute cause for the
2 suspension or revocation of the real estate license and license
3 rights of RIVERA and COTE, as indicated, under the provisions of
4 Code Sections 10176(a) for substantial misrepresentation,
5 10177(d) for willful violation of the Real Estate Law and/or
6 10177(g) for negligence or incompetence.

7 SECOND CAUSE OF ACTION

8 MORTGAGE LOAN AUDIT

9 Montebello Financial Services and Salomon Mortgage

10 8.

11 On January 24, 2007, the Department completed an audit
12 examination of the books and records of RIVERA, pertaining to the
13 mortgage and loan activities for Montebello Financial Services
14 and Salomon Mortgage described in Paragraph 3, which require a
15 real estate license. The audit examination covered a period of
16 time beginning on September 11, 2003 through July 31, 2006. The
17 audit examination revealed violations of the Code and the
18 Regulations as set forth below, and more fully discussed in Audit
19 Report LA 050372 and the exhibits and workpapers attached to said
20 audit report.
21

22 TRUST ACCOUNT

23 9.

24 A. RIVERA did not maintain a trust account during the
25 audit period for the Montebello Financial Services.
26
27

1 B. RIVERA did not maintain a trust account during the
2 audit period for the Salomon Mortgage.

3 MORTGAGE LOAN AUDIT

4 VIOLATIONS OF THE REAL ESTATE LAW

5 Montebello Financial Services and Salomon Mortgage

6 10.

7 With respect to the licensed activities referred to in
8 Paragraph 3, and the audit examination including the exhibits and
9 workpapers referred to in Paragraph 8, it is alleged that RIVERA:

10 (a) Julio Cesar Baez, a revoked former salesperson,
11 placed RIVERA's name on loans and signed RIVERA's name as
12 interviewer for borrowers Cervantes, Pacheco, Reynoso, Soliz,
13 Galan, Reyes, Lopez and Tuiasosopo, without detection by RIVERA
14 who fails to notice, in violation of Code Section 10177(g).

15 (b) Montebello Financial Services. With respect to the
16 real property located at 2501 Villa Maria, Claremont, Montebello
17 Financial Services submitted the loan transaction to Countrywide
18 Home Loan with Aime Limon-Jimenez listed as the real estate
19 salesperson employed by Salomon Real Estate as the buyer's agent
20 for buyer Chris David Perez. Neither Chris David Perez nor
21 RIVERA had any knowledge of this purchase transaction. This
22 conduct by RIVERA is in violation of Code Section 10177(g).

23 (c) (1) Montebello Financial Services. Permitted and/or
24 caused the disbursement of trust funds to a loan appraiser on the
25 representation that the amount was needed to pay for a loan
26

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1 appraisal, which payment exceeded the actual cost of the service.
2 RIVERA did not disclose these "mark-ups" to borrowers Alvarez,
3 Cervantes, Caldera/Diaz and Rubio who were collectively charged
4 \$1,925 for loan appraisals, in violation of Code Section and
5 10176(g). On October 27, 2006, per check numbers 1104, 1105,
6 1106 and 1107, said borrowers received refunds from Rivera.

7 (c) (2) Salomon Mortgage. Permitted and/or caused the
8 disbursement of trust funds on the representation that the amount
9 was needed to pay credit report fees, which payment exceeded the
10 actual cost of the service. RIVERA did not disclose these "mark-
11 ups" to borrowers Chavez, Castro and Flores who were collectively
12 charged \$25 each for credit report fees that cost \$15 each, in
13 violation of Code Section and 10176(g). On October 27, 2006, per
14 check numbers 1108, 1109 and 1110, said borrowers received
15 refunds from Rivera.

16 (c) (3) Salomon Mortgage. Permitted and/or caused the
17 disbursement of trust funds to a loan appraiser on the
18 representation that the amount was needed to pay for a loan
19 appraisal, which payment exceeded the actual cost of the service.
20 RIVERA did not disclose these "mark-ups" to borrowers Rodriguez,
21 Hernandez, Reyes and Koeblitz, who were collectively overcharged
22 \$900 for loan appraisals, in violation of Code Sections 10176(a)
23 and 10176(g). On October 27, 2006, per check numbers 1104, 1105,
24 1106 and 1107, said borrowers received refunds from Rivera.
25
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1 (d) (1) Montebello Financial Services. Mixed and
2 commingled trust funds and personal funds by depositing appraisal
3 and credit report fees received from escrow into RIVERA's former
4 general operating account dba Montebello Financial Services' at
5 Union Bank of California Account No. 1160020233, and issuing
6 checks from said account to the appraisers or credit companies
7 after the escrow checks were deposited, in violation of Code
8 Sections 10145 and 10176(e).

9 (d) (2) Salomon Mortgage. Mixed and commingled trust
10 funds and personal funds by depositing appraisal and credit
11 report fees received from escrow into RIVERA's former general
12 operating account dba Salomon Mortgage at Union Bank of
13 California Account No. 1160016368, and issuing checks from said
14 account to the appraisers or credit companies after the escrow
15 checks were deposited, in violation of Code Sections 10145 and
16 10176(e).

17 (e) (1) Montebello Financial Services. Failed to
18 maintain a control record in the form of a columnar record in
19 chronological order of all "Trust Funds Received, Not Placed
20 Broker's Trust Account", including appraisal and credit report
21 fees collected at the close of escrow, in violation of Code
22 Section 10145 and Regulation 2831.

23 (e) (2) Salomon Mortgage. Failed to maintain a control
24 record in the form of a columnar record in chronological order of
25 all "Trust Funds Received, Not Placed Broker's Trust Account",
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1 including appraisal and credit report fees collected at the close
2 of escrow, in violation of Code Section 10145 and Regulation
3 2831.

4 (f) (1) Montebello Financial Services. Failed to
5 maintain a separate record of all trust funds received, including
6 appraisal and credit report fees collected at the close of
7 escrow, in violation of Code Section 10145 and Regulation 2831.1.

8 (f) (2) Salomon Mortgage. Failed to maintain a separate
9 record of all trust funds received, including appraisal and
10 credit report fees collected at the close of escrow, in violation
11 of Code Section 10145 and Regulation 2831.1.

12 (g) Employed and compensated Frank Martinez, Jeff
13 Cristales, Jorge Limon, Juan Rosa, Sergio Rubilar, Walter Riva,
14 and Julio Baez, as loan agents who RIVERA knew were not licensed
15 by the Department as a real estate broker or as a real estate
16 salesperson employed by a real estate broker or, in the case of
17 Julio Baez, were revoked, for performing acts for which a real
18 estate license is required, including soliciting mortgage loans,
19 in violation of Code Section 10137.
20

21 (h) (1) Montebello Financial Services. Failed to
22 provide, maintain or retain a true, complete and correct copy of
23 a Department of Real Estate approved Mortgage Loan Disclosure
24 Statement signed by the broker for borrowers Chavez, Castro,
25 Lopez, Pacheco, Flores, Reynoso, Caldera/Diaz and Cabrera, in
26 violation of Code Section 10240 and Regulation 2840.
27

1 (h) (2) Salomon Mortgage. 10240 Failed to provide,
2 maintain or retain a true, complete and correct copy of a
3 Department of Real Estate approved Mortgage Loan Disclosure
4 Statement signed by the broker for borrowers Chavez, Alvarez,
5 Castro, Lopez, Cervantes, Pacheco, Flores, Reynoso, Soliz, Galan,
6 Reyes, Cabrera, Galvan and Tuiasosopo, in violation of Code
7 Section 10240 and Regulation 2840.

8 (i) Failed to display RIVERA's, or the loan
9 representative's license number on the Mendoza, Alvarez,
10 Cervantes, Reyes and Galvan, on the Mortgage Loan Disclosure
11 Statements, as required by Code Section 10236.4(b).

12 MORTGAGE LOAN AUDIT

13 DISCIPLINARY STATUTES AND REGULATIONS

14 Montebello Financial Services and Salomon Mortgage

15 11.

16 The conduct of Respondent SALOMON MARTIN RIVERA,
17 described in Paragraph 10, violated the Code and the Regulations
18 as set forth:
19

20 <u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
21 10(a)	Code Section 10177(g)
22	
23	
24 10(b)	Code Section 10177(g)
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10(c) Code Section 10176(g)

10(d) Code Sections 10145 and 10176(e)

10(e) Code Section 10145 and Regulation 2831

10(f) Code Section 10145 and Regulation 2831.1

10(g) Code Section 10137

10(h) Code Section 10240 and Regulation 2840

10(i) Code Section 10236.4(b)

Each of the foregoing violations constitute cause for the suspension or revocation of the real estate license and license rights of SALOMON MARTIN RIVERA under the provisions of Code Sections 10176(e) for commingling, for willful violation of the Real Estate Law and/or 10177(g) for negligence or incompetence.

NEGLIGENCE

12.

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2
3 The overall conduct of SALOMON MARTIN RIVERA
4 constitutes negligence or incompetence and is cause for
5 discipline of the real estate license and license rights of
6 SALOMON MARTIN RIVERA pursuant to Code Section 10177(g).

7 LACK OF SUPERVISION AND COMPLIANCE

8 13.

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

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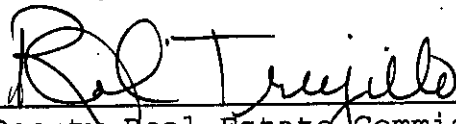
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1 WHEREFORE, Complainant prays that a hearing be
2 conducted on the allegations of this Accusation and that upon
3 proof thereof, a decision be rendered imposing disciplinary
4 action against the license and license rights of Respondent
5 SALOMON MARTIN RIVERA, 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 this 8 day of October 2008.

12 
13 Deputy Real Estate Commissioner

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25 cc: Salomon Martin Rivera
26 Robin Trujillo
27 Sacto
Audits - Jennifer Lin