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BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

FILED
SEP 21 2011
DEPARTMENT OF REAL ESTATE

By CR

In the Matter of the Accusation of) No. H-36542 LA
)
)
MICHAEL JAIMES, doing business as) L-2010071135
Piccasa Realty, Homeowners Escrow,)
and Mass Loans; NORMA PATRICIA)
RIVAS; LUCIA F. CARDENAS; and)
JORGE ANTONIO CANTU,)
)
Respondents.)

DECISION

The Proposed Decision dated August 31, 2011, of the Administrative Law Judge of the Office of Administrative Hearings, is hereby adopted as the Decision of the Real Estate Commissioner in the above-entitled matter.

The Decision dismisses the First Amended Accusation against Respondents LUCIA F. CARDENAS and JORGE ANTONIO CANTU.

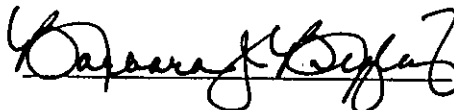
The Decision revokes one or more real estate licenses, but the right to a restricted license is granted to Respondent MICHAEL JAIMES. Any restricted license issued is suspended for thirty (30) days.

The right to reinstatement of a revoked real estate license or to the reduction of a suspension is controlled by Section 11522 of the Government Code. A copy of Section 11522 and a copy of the Commissioner's Criteria of Rehabilitation are attached hereto for the information of Respondent.

This Decision shall become effective at 12 o'clock noon on
October 11, 2011.

IT IS SO ORDERED 9/19, 2011.

BARBARA J. BIGBY
Acting Real Estate Commissioner



**BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA**

In the Matter of the Accusation Against:

MICHAEL JAIMES, doing business as
**Piccasa Realty, Homeowners Escrow, and
Mass Loans; LUCIA CARDENAS; and
JORGE ANTONIO CANTU,**

Respondents.

Case No. H 36542 LA

OAH No. 2010071135

PROPOSED DECISION

The hearing in the above-captioned matter was held on February 23, 2011, before Joseph D. Montoya, Administrative Law Judge (ALJ), Office of Administrative Hearings. Complainant was represented by Lissete Garcia, Counsel, Department of Real Estate. Respondents Michael Jaimes, Jorge Antonio Cantu, and Lucia Cardenas appeared and represented themselves.

Evidence was received, the case was argued, and the matter submitted for decision on the hearing date. The ALJ hereby makes his factual findings, legal conclusions, and orders.

FACTUAL FINDINGS

The Parties and Jurisdiction:

1. Complainant Maria Suarez filed and maintained the Accusation and First Amended Accusation in this matter while acting in her official capacity as a Deputy Real Estate Commissioner of the Department of Real Estate (Department).

2. (A) Respondent Michael Jaimes (Jaimes) is licensed by the Department as a real estate broker, and has been since November 12, 2003. He holds license number 01111161. Prior to receiving his broker's license, Jaimes was licensed as a real estate salesperson, from May 29, 1991, until November 11, 2003. Jaimes' broker's license will expire February 19, 2012, unless renewed.

(B) Respondent Jaimes was doing business under several fictitious names during the period relevant to this proceeding. Those fictitious names included Piccasa Realty, Homeowners Escrow, and Mass Loans. However, in February 2010, Jaimes cancelled the fictitious name Mass Loans.

(C) During April and May 2007, the time period most relevant to this matter, Jaimes operated his brokerage business from a main office located at 6400 Laurel Canyon Boulevard, in North Hollywood. He also operated a branch office at 16105 Victory Boulevard, in Van Nuys, which office was closed on or about June 7, 2007.

(D) Jaimes' licenses have been suspended on several occasions for his failure to make child support payments in violation of the Family Code. His salesperson's license was suspended four times, and his broker's license on one other occasion. The suspension of the broker's license was for the period June 8 and July 29, 2007.

3. Respondent Lucia F. Cardenas (Cardenas) has been licensed as a real estate salesperson since August 2005. She holds license number 01510945. She became affiliated with Jaimes in August 2006, and her association with him ended on June 8, 2007 due to the suspension of his license. Cardenas's license will expire in August 2013 unless renewed.

4. Respondent Jorge Antonio Cantu (Cantu) is licensed as a real estate salesperson, holding license number 01372984. He was first licensed, conditionally, in March 2003, and became associated with Respondent Jaimes in February 2004. His license was suspended for approximately three weeks in September 2004, because he had not completed, or shown completion, of his education requirements. After his license was reinstated in October 2004, he remained in the employ of Jaimes, excepting the period between June and September 2007 when the latter's broker's license was suspended. Cantu's license was due to expire in March 2011 unless renewed.

5. Following service of the Accusation, each Respondent filed a Notice of Defense, denying the charges and requesting a hearing. All jurisdictional requirements have been met.

The Transactions Involving John Malicci, Jr.

6. In the period of April and May 2007, John Malicci, Jr. (Malicci) was induced by Norma Rivas, an unlicensed employee of Jaimes, to enter into one or two contracts to purchase houses in the San Fernando Valley, and to borrow large sums of money in order to purchase the properties. As detailed below, documentation generated by Rivas was false, and falsified by her, which falsification included forging Malicci's signatures on purchase and loan documents. As further detailed below, Malicci may have lacked the capacity to make any such contracts, and he plainly did not have the wherewithal to purchase any residential real property in the vicinity of Los Angeles.

7. Further by way of background, it must be noted that Malicci, then about 40 years old, was an unemployed veteran who suffered from alcoholism and psychiatric problems. Those latter problems had caused his discharge, on such medical grounds, from the Marine Corps in approximately 1990. Malicci had not worked since, at least, the late 1990's. He subsisted on a small disability pension paid by the Veterans Administration. That money was paid over to Malicci's father, John Malicci (John senior), who managed Malicci's finances and other affairs.

8. All of the details of the transactions are not known, as neither Malicci or Rivas testified in this matter. It has been established that John senior learned of the transaction during a conversation with his son in May 2007. Malicci told his father that a lady had given him \$500, and that he had spent \$20 of it. He made statements to the effect that he was going to buy a house. Malicci senior asked how he had obtained the money, and about the purchase, and his son gave him enough information to identify the realty office in question.

9. John senior met with Ms. Rivas the next day at Jaimes' branch office in Van Nuys. There was one other person there, a man, but John senior does not know who it was. At the hearing in this proceeding he could not identify Cantu as that person and he testified that the person was not Respondent Jaimes. Speaking to Ms. Rivas, Malicci senior explained the situation of his son's disability, and he demanded copies of the papers and he insisted that the sale be cancelled. At first Rivas tried to talk John senior into completing the transaction, and she insisted that the sale go forward, claiming that she would not execute cancellation papers, though she did give him copies of documents pertinent to the deal. At one point, Rivas said "I can still make this go through." When Malicci's father asked her if she were threatening him she apparently backed down, and he left with the documents.

10. No purchase of real property was consummated for Malicci.

11. The documents that were obtained by John senior show that in fact Malicci had attempted to purchase two different properties, one in Pacoima, and one in Granada Hills. In the first transaction, Malicci purportedly signed a contract on April 11, 2007, to purchase a house in Granada Hills for \$490,000. Although the last page of the standard California Residential Purchase Agreement (RPA) form shows Respondent Cantu as the agent for Piccasa Realty, Cantu's signature does not appear anywhere on the document, and his license number is not even typed in at the place on the form for that information.

12. Escrow instructions contained within the RPA for the Granada Hills property show a \$5,000 deposit was made, but there has never been any evidence that Malicci made any such deposit. The transaction was contingent on Malicci obtaining an eight percent fixed rate loan for 30 years.

13. (A) A Uniform Residential Loan Application (RLA) was prepared which stated that Malicci had rented a house on Gaviota Avenue in Van Nuys for 2.2 years, or two years and two months. It states that he was self-employed in a business called "A Plus Exterior House Coatings" for two years and two months, and that he had a gross monthly income of \$8,200 and as then paying \$1,500 per month in rent. It claimed that he had over \$21,000 on deposit at Bank of America, that he owned a 2003 pick-up truck worth \$21,000, and that he had other personal assets worth \$15,000.

(B) The document purports to show that Jaimes interviewed Malicci in a face-to-face interview. (See Ex. 6, at page 0040.)¹

(C) Comparison of the purported signature of Jaimes with other exemplars, such as that set out on his Notice of Defense filed in this proceeding, leads to the conclusion that Jaimes did not sign the RLA pertaining to the Granada Hills property, and it is found that he did not sign the document.

(D) Malicci's signature was forged in a number of places on the RLA, including the first and last page. This finding is made by comparing the signatures to other exemplars, such as that set out on his driver's license and social security card.² Further, his first name is misspelled as "Jhon" rather than as "John," the proper spelling, in numerous places on the RLA.

14. A Home Mortgage, Standard Closing Document Form, with the logo of Wells Fargo Bank was prepared which carries a signature and email address for Norma Rivas. It also purports to carry Jaimes' signature, but a mere glance reveals that Jaimes did not sign that document either. (Ex. 6, p. 0055.)

15. At some point, a woman named Janny Rios, also an employee of Jaimes, appears to have become involved in the transaction. There is a hand-written reference to her on a Notice of Loan Commitment (Ex 6, p. 0057). And, a form Request for Verification of Rent or Mortgage form purports to show that she sent that document to a Mr. Schiess at a property management firm in North Hollywood. The document, found at page 0065 in Exhibit 6, was purportedly signed by Malicci, but his signature was plainly forged, with both his first and last name misspelled, i.e., Jhon Malicci. The document purports to have Mr. Scheiss's verification, describing Malicci as a "model tenant."

¹ This citation refers to a "Bates stamp" page number placed on each page appended to the Notice of Intent to Introduce Affidavit, which documents make up Exhibit 6. Such page numbers will be used hereafter unless otherwise noted.

² Compare the purported signatures at Ex. 6, pp. 37 and 40 with those found at p. 64.

16. Other documents that are fairly labeled as phony were generated in some way. One purports to be from a person who prepared tax returns for Malicci, doing business as A Plus Exterior House Coating, for two years. Another is a "verification of employment" purporting to verify Malicci's self-employed status. (Ex. 6, pp. 66-67.)

17. (A) A curious document dated May 16, 2007 is found in the file, which states as follows:

This is a receipt for acknowledgement of monetary compensation for the sale of said subject property at 11304 Haskell Avenue in Granada Hills. As promised, you will be compensated in the amount of \$5,000 total for your services rendered as follows;

1. \$500.00 (Today)
2. \$2000 (Monday May 28, 2007)
3. \$2500 (Car).

(Ex. 6, p. 0068.)

(B) The document is signed by a Juan J. Reves and by Malicci, both on May 16, 2007. In this instance, Malicci's signature appears to be genuine.

18. (A) On May 7, 2007, Malicci purported to enter into a contract to purchase a property on Daventry Street in Pacoima, California. This house was going to sell for \$565,000. A title company order form shows that Mass Loans is the lender, with the matter being handled by Ms. Rivas; her phone number and e-mail address are shown. Respondent Jaimes is shown as the agent, but no phone or e-mail is shown for him on that form. (Ex. 6, p. 0079.)

(B) Just why this second transaction was begun is not clear from the record, as John senior executed cancellation documents for the Granada Hills property. In a document filed with the hearing board of the Southland Regional Association of Realtors, Inc., Ms. Rivas claimed that the seller of the Granada Hills property decided not to sell the property, and so the Pacoima property was found for Malicci. However, that claim can not be substantiated.

19. Another RLA was prepared for Malicci, similar to the previous one, but this document showed that he was earning \$9,650 in his house coating company. (Ex. 6, p. 0081.) Typewritten, but not signed, is an indication that he was interviewed by "Lucy Cardenas." (*Id.*, p. 0083.) There are no signatures on this document.

20. Neither transaction was completed with Malicci, and no loan was made on his behalf. It is found that an attempt was made to obtain two loans for him in the two

transactions, which attempts failed. It is found that a lender was willing to make a loan to Malicci on the Granada Hills property based on false documents prepared by Rivas, and perhaps Janny Rios, although Rivas appears to be the main actor in the scheme, as her name, number, and e-mail address appear on numerous documents and communications.

Other Findings Necessary To Resolve the Case

21. John senior filed a complaint with the Southland Regional Association of Realtors, Inc. (the Association) against Jaimes. A hearing was held by the Association in approximately May 2008.³ A three-person hearing panel found that Jaimes had failed to ensure that the transaction was handled honestly and that there had been misrepresentation, although the matter was handled by his staff and not directly by him. The panel recommended that the Association place a letter of censure in Jaimes's file for five years, fine him \$2,500, and suspend his membership in the association for 90 days, and refer the matter to the Department.

22. There is no evidence that Respondents Cantu or Cardenas were involved in any way in any part of the attempted transactions. Their signatures do not appear anywhere. None of the written complaints made to the Association or the Department by Malicci or his father point to participation by those two Respondents, other than citing their typewritten names on the documents. Each one had their names typed onto a document, but there is no evidence that they approved that action, and they deny involvement, which denials are credible. And, it should be noted that during the hearing John senior could not identify them; he had never seen them before the hearing in this matter.⁴

23. As noted above, Respondent's Cantu and Cardenas were credible in their testimony, both in their demeanor and in the content of it. Cardenas essentially worked in a part-time capacity, often in the evenings, and could not be identified by John senior. It is fairly inferred that Rivas intended to forge Cardenas's signature at the "interviewer" block of the RLA for the Pacoima property if the transaction went any further, just as she appears to have forged Jaimes's signature on the RLA for the Granada Hills property.

24. There is no substantial evidence that Jaimes was involved in either attempted transaction, or that he had knowledge of the transactions and what was being done to bring either sale and loan to fruition. Indeed, his signature was forged

³ The date of the hearing is not clear from the decision, which was signed by the three panel members on June 2, 2008.

⁴ He also testified that he had never seen Jaimes before the hearing that was conducted by the Association.

onto one document. (Factual Findings 13(B) & (C).) Therefore, it can not be found that he acted dishonestly in this matter.

25. It has been established that Jaimes failed to adequately supervise the activities of his branch office, and the activities of his unlicensed employee, Rivas at that location. During the hearing he acknowledged that the office had been opened in its particular location so as to take advantage of the foot traffic generated by a Vallarta supermarket that was in the same lot as the Picassa Realty office. Although just a few miles from Jaimes' main office, it appears that he was not routinely in the branch office and carefully monitoring activities there. This allowed Rivas, ostensibly a loan processor, and Rios, another non-licensee who acted as an office manager, to attempt a fraud on Malicci and a financial institution.

LEGAL CONCLUSIONS

1. The Department is vested with jurisdiction to proceed in this matter, based on Factual Findings 1 through 5, and Code sections 10100 and 10103.⁵

2. Cause was not established to discipline the licenses of Respondents Jaimes, Cantu, or Cardenas for fraud, misrepresentations, or dishonest dealing based on Factual Findings 6, 8, 9, 13(C), 22, 23, and 24.

3. Respondent Jaimes failed to comply with the Commissioner's regulations, specifically California Code of Regulations (CCR), title 10, section 2725,⁶ pertaining to supervision of his brokerage. There was no evidence that he had in place policies, procedures, rules, and systems to manage and oversee activities in his office, including transactions requiring a real estate license (§ 2725, subd. (a)), and documents having a material effect on the rights of a party to a transaction (§ 2725, subd. (b)). The fact that one of his unlicensed employees was able to inveigle a consumer, Malicci, into two potentially fraudulent transactions, without Respondent Jaimes's knowledge, supports the conclusion that he did not have adequate systems and procedures in place. This Conclusion is based on Factual Findings 6, 7, 8, 9, 11 through 19, and 25.

4. Cause exists to discipline Respondent Jaimes's broker's license pursuant to section 10177, subdivision (d) for his violation of CCR section 2725, based on Legal Conclusion 3 and its factual predicates.

5. Cause exists to discipline Respondent Jaime's broker's license pursuant to section 10177, subdivision (g), for negligence in failing to prevent an unlicensed

⁵ All statutory citations shall be to the Business and Professions Code.

⁶ All citations to the CCR shall be to title 10.

person from engaging in transaction for which a license was required, based on Factual Findings 6, 7, 8, 9, 11 through 19, and 25.

6. Cause was not established to discipline Respondent Jaimes's broker's license for employment of an unlicensed person to conduct activities for which a license is required, because it was not established that he employed either Rivas or Rios to conduct activities for which a license was required.

7. It is long-settled that the purpose of proceedings of this type are to protect the public, and not to punish an errant licensee. (E.g., *Camacho v. Youde* (1979) 95 Cal.App.2d 161, 164; *Hughes v. Board of Architectural Examiners* (1998) 17 Cal.4th 763, 784-786.) In this case, Respondent Jaimes committed sins of omission, and not commission; there is no evidence that he was involved in the scheme. There was no actual harm to a consumer or to a financial institution. In the circumstances, a restricted license should be sufficient to protect the public.

ORDER

1. The First Amended Accusation against Respondents Lucia E. Cardenas and Jorge Antonio Cantu, is hereby dismissed.

2. All licenses and licensing rights of Respondent Michael Jaimes under the Real Estate Law are revoked; provided, however, a restricted real estate broker license shall be issued to each Respondent pursuant to section 10156.5 if such Respondent makes application therefore and pays to the Department of Real Estate the appropriate fee for the restricted license within 90 days from the effective date of this Decision. The restricted license issued to Respondent(s) shall be subject to all of the provisions of section 10156.7 and the following limitations, conditions, and restrictions imposed under authority of section 10156.6:

(A) Any restricted license issued to Respondent Jaimes pursuant to this decision shall be suspended for 30 days from the date of issuance of said restricted license.

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

(C) The restricted license issued to Respondent Jaimes may be suspended prior to hearing by Order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that Respondent has violated provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of the Real Estate Commissioner or conditions attaching to the restricted license.

(D) Respondent(s) shall not be eligible to apply for the issuance of an unrestricted real estate license nor for the removal of any of the conditions, limitations, or restrictions of a restricted license until three years have elapsed from the effective date of this Decision.

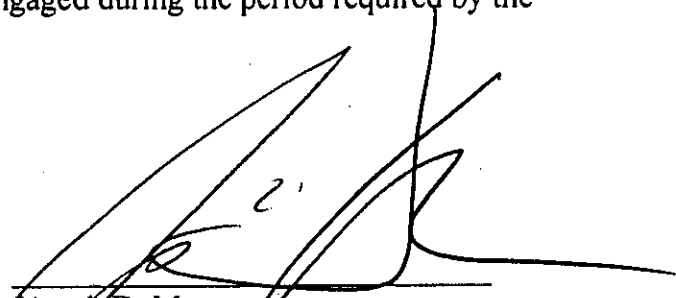
(E) Respondent Jaimes shall, within nine months from the effective date of this Decision, present evidence satisfactory to the Real Estate Commissioner that Respondent Jaimes has, since the most recent issuance of an original or renewal real estate license, taken and successfully completed the continuing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

(F) Respondent Jaimes shall, within one year of the effective date of this Decision, take and pass the Professional Responsibility Examination administered by the Department including the payment of the appropriate examination fee. If Respondent Jaimes fails to satisfy this condition, the Commissioner may order suspension of his license until Respondent passes the examination.

(G) Respondent Jaimes shall report in writing to the Department as the Real Estate Commissioner shall direct by his Decision herein or by separate written order issued with the restricted license is in effect such information concerning the Respondent Jaimes's activities for which a real estate license is required as the Commissioner shall deem to be appropriate to protect the public interest.

Such reports may include, but shall not be limited to, periodic independent accountings of trust funds in the custody and control of Respondent Jaimes and periodic summaries of salient information concerning each real estate transaction in which Respondent Jaimes engaged during the period required by the report.

August 31, 2011



Joseph D. Montoya
Administrative Law Judge
Office of Administrative Hearings

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FILED
MAY 28 2010
DEPARTMENT OF REAL ESTATE

By

7
8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of) NO. H-36542 LA
12)
13 MICHAEL JAIMES, doing business) FIRST AMENDED
14 as Piccasa Realty, Homeowners) ACCUSATION
15 Escrow, and Mass Loans;)
16 LUCIA F. CARDENAS; and)
17 JORGE ANTONIO CANTU,)
18)
19 . Respondents.)
20)

21 This First Amended Accusation amends the Accusation
22 filed on March 25, 2010. The Complainant, Maria Suarez, a
23 Deputy Real Estate Commissioner of the State of California, for
24 cause of Accusation against MICHAEL JAIMES, doing business as
25 Piccasa Realty, Homeowners Escrow, and Mass Loans; LUCIA F.
26 CARDENAS; and JORGE ANTONIO CANTU ("Respondents"), is informed
27 and alleges as follows:

28 1.

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

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1 and Mass Loans. On or about February 9, 2010, the Department
2 received notice of Respondent JAIMES' cancellation of dba "Mass
3 Loans." Piccasa Realty and Homeowners Escrow remain dbas of
4 Respondent JAIMES' Department License No. 01111161.

5 6.

6 From on or about September 14, 2006, through June 7,
7 2007, Respondent LUCIA F. CARDENAS ("CARDENAS") was licensed by
8 the Department as a real estate salesperson to act under the
9 employ of Respondent JAIMES.

10 7.

11 From on or about February 9, 2004, to the present,
12 Respondent JORGE ANTONIO CANTU ("CANTU") was licensed by the
13 Department as a real estate salesperson to act under the employ
14 of Respondent JAIMES.

15 8.

16 All further references to "Respondents" herein include
17 the parties identified in Paragraphs 2 through 7 above, and also
18 include the officers, directors, employees, real estate
19 licensees and unlicensed persons employed by or associated with
20 said parties and who at all times herein mentioned were engaged
21 in the furtherance of the business or operations of said parties
22 and who were acting within the course and scope of their
23 authority and employment.

24 9.

25 At all times herein mentioned, Respondents were
26 engaged in the business of, acted in the capacity of, advertised
27 or assumed to act as real estate brokers within the meaning of
28 Section 10131 of the Code, including but not limited to,

1 soliciting sellers and buyers for listing, sale and purchase of
2 real property and negotiating the sale and purchase of real
3 property on behalf of buyers and sellers for or in expectation
4 of compensation.

5
6 FIRST CAUSE OF ACCUSATION
(Misrepresentations, Fraud, or Dishonest Dealing)
7 (Respondents JAIMES, RIVAS, and CANTU)

8 10.

9 On or about October 22, 2008, the Department received
10 a complaint from Tess Martin of the Southland Regional
11 Association of Realtors ("SRAR") against Respondent JAIMES.
12 SRAR held a disciplinary hearing against JAIMES wherein SRAR
13 found that JAIMES had violated several articles of the National
14 Association of Realtors Code of Ethics. The disciplinary
15 hearing and ethics violations are based on a complaint made to
16 SRAR by John Malicci, Sr., guardian of John Malicci, Jr.,
17 against Norma Rivas, JAIMES, Picassa Realty, and Mass Loans.

18 11.

19 At no time mentioned was Norma Rivas licensed in any
20 capacity by the Department of Real Estate to conduct activities
21 requiring a real estate license.

22 12.

23 In or around April, 2007, through May, 2007, while
24 working as an unlicensed assistant for Respondent JAIMES and Mass
25 Loans, Norma Rivas made numerous material misrepresentations,
26 prepared or caused to be prepared falsified documents, forged
27 documents and committed dishonest dealing in connection with the
28 purchase of two separate properties by John Malicci Jr.

13.

John Malicci Jr. is a permanently disabled veteran. He cannot maintain employment and financially depends on veteran's disability benefits which are controlled by his guardian, John Malicci Sr. John Malicci Jr. is a psychiatric patient of the Sepulveda Mental Health Clinic.

14.

In or around April, 2007, Norma Rivas prepared, or caused to be prepared, a California Residential Purchase Agreement ("RPA") for John Malicci Jr.'s purchase of real property located at 11304 Haskell Avenue, Granada Hills, California 91344 ("Haskell Avenue property"). Respondent CANTU is listed as an agent of Picassa Realty and Piccasa Realty is listed as a real estate broker on the RPA. A \$5,000 deposit from John Malicci Jr. is noted on the RPA. John Malicci Jr. never provided a \$5,000 deposit. Norma Rivas and JAIMES could not provide to SRAR proof of said deposit from John Malicci Jr. being placed into a trust fund account.

15.

Two Uniform Residential Loan Applications ("URLAs") for borrower, John Malicci Jr., were prepared and purportedly signed by John Malicci Jr. The URLAs were for the purchase of the Haskell Avenue property. Respondent JAIMES signed the URLA certifying that he conducted a face-to-face interview with John Malicci Jr. for Mass Loans. The URLAs contain false information regarding John Malicci Jr.'s employment, income, assets and liabilities. John Malicci Jr. never met with Respondent JAIMES to prepare the URLAs.

16.

In or around May, 2007, Norma Rivas prepared, or caused to be prepared, a California RPA for John Malicci Jr.'s purchase of real property located at 13780 Daventry Street, Pacoima, California 91331 ("Daventry Street property"). Respondent JAIMES and Piccasa Realty are listed as real estate brokers on the RPA.

17.

Two URLAs for borrower, John Malicci Jr., were prepared by Mass Loans. The URLAs were for the purchase of the Daventry Street property. Respondent CARDENAS was listed as the person who conducted a face-to-face interview with John Malicci Jr. for Mass Loans. The URLAs contain false information regarding John Malicci Jr.'s employment, income, assets and liabilities. John Malicci Jr. never met with Respondent CARDENAS to prepare the URLAs.

18.

Norma Rivas made material misrepresentations and engaged in fraud or dishonest dealing to induce John Malicci Jr. to purchase the Haskell Avenue and Daventry Street properties. False and forged documents were prepared and submitted to verify John Malicci Jr.'s employment and income. Norma Rivas provided a \$500 cash payment and a written promissory note of \$5,000 compensation from Juan J. Reyes to John Malicci, Jr. for the sale and purchase of the Haskell Avenue property.

19.

On or around May 21, 2007, John Malicci Sr. became aware of the \$500 given to his son John Malicci Jr. by Norma

1 Rivas. John Malicci Sr. went to Mass Loans' office and learned
2 of the Haskell Avenue and Daventry Street transactions involving
3 his son, John Malicci Jr. John Malicci Sr. demanded that Norma
4 Rivas cancel the real estate transactions and subsequently made
5 a complaint to SRAR.

6 20.

7 The facts described above are grounds for the
8 suspension or revocation of the licenses of Respondents JAIMES,
9 CARDENAS, and CANTU under Sections 10176(a), 10176(i) and/or
10 10177(g) and as to Respondent JAIMES 10177(h).

11 SECOND CAUSE OF ACCUSATION

12 (Failure to Supervise)

13 (Respondent JAIMES)

14 21.

15 There is hereby incorporated in this Second, separate
16 and distinct cause of Accusation, all of the allegations
17 contained in Paragraphs 1 through 20, with the same force and
18 effect as if herein fully set forth.

19 22.

20 During the period from April, 2007, through May, 2007,
21 Respondent JAIMES failed to exercise reasonable supervision over
22 the activities of salespersons in his employ as required under
23 Regulation 2725, subdivisions (a), (b), (d), and (g).

24 23.

25 During the period from April, 2007, through May, 2007,
26 Respondent JAIMES failed to exercise reasonable supervision over
27 the activities of Piccasa Realty and Mass Loans when they were
28 performing acts for which a real estate license was required,
including supervision over the licensed activities of

1 salespersons employed by Piccasa Realty and Mass Loans in that
2 Norma Rivas and Respondents CANTU, and CARDENAS, committed the
3 acts described in Paragraphs 10 through 19 above, on behalf of
4 Mass Loans and Piccasa Realty.

5 24.

6 The facts alleged above are grounds for the
7 suspension or revocation of Respondent JAIMEs under Sections
8 10177(d), 10177(g) and/or 10177(h) of the Code.

9
10 THIRD CAUSE OF ACCUSATION
11 (Employment of Unlicensed Person)
12 (Respondent JAIMEs)

13 25.

14 There is hereby incorporated in this Third, separate
15 and distinct cause of Accusation, all of the allegations
16 contained in Paragraphs 1 through 24, with the same force and
17 effect as if herein fully set forth.

18 26.

19 The acts and omissions of Respondent in employing
20 Norma Rivas to conduct activities requiring a real estate
21 license when she was not licensed by the Department is cause to
22 revoke or suspend the licenses and license rights of Respondent
23 JAIMEs pursuant to Section 10137, 10177(d) and/or 10177(g) of
24 the Code.

25 ///

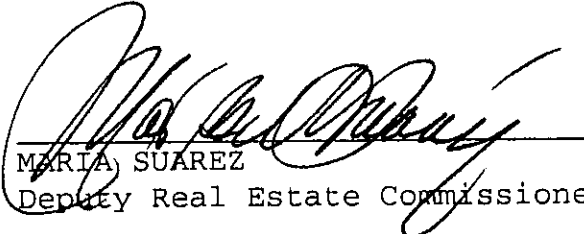
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1 WHEREFORE, Complainant prays that a hearing be
2 conducted on the allegations of this Accusation and that upon
3 proof thereof, a decision be rendered imposing disciplinary
4 action against all licenses and/or license rights of
5 Respondents, MICHAEL JAIMES, doing business as Piccasa Realty,
6 Homeowners Escrow, and Mass Loans; LUCIA F. CARDENAS; and JORGE
7 ANTONIO CANTU, under the Real Estate Law (Part 1 of Division 4
8 of the Business and Professions Code) and for such other and
9 further relief as may be proper under other applicable
10 provisions of law.

11 Dated at Los Angeles, California
12 this 26th day of May, 2010.

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15 
16 MARIA SUAREZ
17 Deputy Real Estate Commissioner
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24 cc: Michael Jaimes, dba Piccasa Realty, Homeowners Escrow, and
25 Mass Loans
26 Lucia F. Cardenas
27 Jorge Antonio Cantu
28 Integrated Professional Services, Inc.
Maria Suarez
Sacto.

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FILED
MAY 20 2010
DEPARTMENT OF REAL ESTATE

By

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of) NO. H-36542 LA
MICHAEL JAIMES, doing business)
as Piccasa Realty, Homeowners) A C C U S A T I O N
Escrow, and Mass Loans;)
NORMA PATRICIA RIVAS;)
LUCIA F. CARDENAS; and)
JORGE ANTONIO CANTU,)
Respondents.)

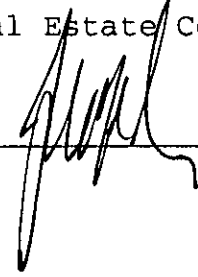
DISMISSAL

On March 25, 2010, the Department of Real Estate
("Department") filed an Accusation against Respondent NORMA
PATRICIA RIVAS in Department Case No. H-36542 LA. Good cause
has been shown that Norma Patricia Rivas with Department License
No. 01086682 did not commit the acts set forth in the
aforementioned Accusation. Based thereon, the Accusation filed
on March 25, 2010, against Respondent NORMA PATRICIA RIVAS

1 is DISMISSED.

2 IT IS SO ORDERED 5-12, 2010.

3 JEFF DAVI
4 Real Estate Commissioner

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1 LISSETE GARCIA, Counsel (SBN 211552)
2 Department of Real Estate
3 320 West 4th Street, Suite 350
4 Los Angeles, California 90013-1105

5 Telephone: (213) 576-6982
6 (Direct) (213) 576-6914
7

FILED
MAR 25 2010
DEPARTMENT OF REAL ESTATE

By CS

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of) NO. H-36542 LA
12)
13 MICHAEL JAIMES, doing business) A C C U S A T I O N
14 as Piccasa Realty, Homeowners)
15 Escrow, and Mass Loans;)
16 NORMA PATRICIA RIVAS;)
17 LUCIA F. CARDENAS; and)
Jorge Antonio Cantu,)
Respondents.)

18
19 The Complainant, Maria Suarez, a Deputy Real Estate
20 Commissioner of the State of California, for cause of Accusation
21 against MICHAEL JAIMES, doing business as Piccasa Realty,
22 Homeowners Escrow, and Mass Loans; NORMA PATRICIA RIVAS; LUCIA
23 F. CARDENAS; and JORGE ANTONIO CANTU ("Respondents"), is
24 informed and alleges as follows:

25 1.

26 The Complainant, Maria Suarez, a Deputy Real Estate
27 Commissioner of the State of California, makes this Accusation
28 in her official capacity.

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1 fictitious business names: Piccasa Realty, Homeowners Escrow,
2 and Mass Loans. On or about February 9, 2010, the Department
3 received notice of Respondent JAIMES' cancellation of dba "Mass
4 Loans." Piccasa Realty and Homeowners Escrow remain dbas of
5 Respondent JAIMES' Department License No. 01111161.

6 6.

7 From on or about August 30, 2005 to the present,
8 Respondent NORMA PATRICIA RIVAS ("RIVAS") was licensed by the
9 Department as a real estate salesperson to act under the employ
10 of licensed real estate broker Angela M. Estrada.

11 7.

12 From on or about September 14, 2006, through June 7,
13 2007, Respondent LUCIA F. CARDENAS ("CARDENAS") was licensed by
14 the Department as a real estate salesperson to act under the
15 employ of Respondent JAIMES.

16 8.

17 From on or about February 9, 2004, to the present,
18 Respondent JORGE ANTONIO CANTU ("CANTU") was licensed by the
19 Department as a real estate salesperson to act under the employ
20 of Respondent JAIMES.

21
22 FIRST CAUSE OF ACCUSATION

23 (Misrepresentations, Fraud, or Dishonest Dealing)
24 (Respondents JAIMES, RIVAS, CARDENAS, and CANTU)

25 9.

26 On or about October 22, 2008, the Department received
27 a complaint from Tess Martin of the Southland Regional
28 Association of Realtors ("SRAR") against Respondent JAIMES.
SRAR held a disciplinary hearing against JAIMES wherein SRAR

1 found that JAIMES had violated several articles of the National
2 Association of Realtors Code of Ethics. The disciplinary
3 hearing and ethics violations are based on a complaint made to
4 SRAR by John Malicci, Sr., guardian of John Malicci, Jr.,
5 against Respondents RIVAS, JAIMES, Picassa Realty, and Mass
6 Loans.

7 10.

8 In or around April, 2007, through May, 2007, while
9 working with, or as an agent for, Respondent JAIMES and Mass
10 Loans, Respondent RIVAS made numerous material
11 misrepresentations, prepared or caused to be prepared, falsified
12 documents, forged documents and committed dishonest dealing in
13 connection with the purchase of two separate properties by John
14 Malicci, Jr.

15 11.

16 John Malicci, Jr. is a permanently disabled veteran.
17 He cannot maintain employment and financially depends on
18 veteran's disability benefits which are controlled by his
19 guardian, John Malicci, Sr. John Malicci, Jr. is a psychiatric
20 patient of the Sepulveda Mental Health Clinic.

21 12.

22 In or around April, 2007, Respondent RIVAS prepared,
23 or caused to be prepared, a California Residential Purchase
24 Agreement ("RPA") for John Malicci, Jr.'s purchase of real
25 property located at 11304 Haskell Avenue, Granada Hills,
26 California 91344 ("Haskell Avenue property"). Respondent CANTU
27 is listed as an agent of Picassa Realty and Piccasa Realty is
28 listed as a real estate broker on the RPA. A \$5,000 deposit

1 from John Malicci, Jr. is noted on the RPA. John Malicci, Jr.
2 never provided a \$5,000 deposit. Respondents RIVAS and JAIMES
3 could not provide to SRAR proof of said deposit from John
4 Malicci, Jr. being placed into a trust fund account.

5 13.

6 Two Uniform Residential Loan Applications ("URLAs")
7 for borrower, John Malicci, Jr., were prepared and purportedly
8 signed by John Malicci, Jr. The URLAs were for the purchase of
9 the Haskell Avenue property. Respondent JAIMES signed the URLA
10 certifying that he conducted a face-to-face interview with John
11 Malicci, Jr. for Mass Loans. The URLAs contain false
12 information regarding John Malicci, Jr.'s employment, income,
13 assets and liabilities. John Malicci, Jr. never met with
14 Respondent JAIMES to prepare the URLAs.

15 14.

16 In or around May, 2007, Respondent RIVAS prepared, or
17 caused to be prepared, a California RPA for John Malicci, Jr.'s
18 purchase of real property located at 13780 Daventry Street,
19 Pacoima, California 91331 ("Daventry Street property").
20 Respondent JAIMES and Piccasa Realty are listed as real estate
21 brokers on the RPA.

22 15.

23 Two URLAs for borrower, John Malicci, Jr., were
24 prepared by Mass Loans. The URLAs were for the purchase of the
25 Daventry Street property. Respondent CARDENAS was listed as the
26 person who conducted a face-to-face interview with John Malicci,
27 Jr. for Mass Loans. The URLAs contain false information
28 regarding John Malicci, Jr.'s employment, income, assets and

1 liabilities. John Malicci, Jr. never met with Respondent
2 CARDENAS to prepare the URLAs.

3 16.

4 Respondent RIVAS made material misrepresentations and
5 engaged in fraud or dishonest dealing to induce John Malicci,
6 Jr. to purchase the Haskell Avenue and Daventry Street
7 properties. False and forged documents were prepared and
8 submitted to verify John Malicci, Jr.'s employment and income.
9 Respondent RIVAS provided a \$500 cash payment and a written
10 promissory note of \$5,000 compensation from Juan J. Reyes to
11 John Malicci, Jr. for the sale and purchase of the Haskell
12 Avenue property.

13 17.

14 On or around May 21, 2007, John Malicci, Sr. became
15 aware of the \$500 given to his son John Malicci, Jr. by
16 Respondent RIVAS. John Malicci, Sr. went to Mass Loans' office
17 and learned of the Haskell Avenue and Daventry Street
18 transactions involving his son, John Malicci, Jr. John Malicci,
19 Sr. demanded that Respondent RIVAS cancel the real estate
20 transactions and subsequently made a complaint to SRAR.

21 18.

22 The facts described above are grounds for the
23 suspension or revocation of the licenses of Respondents JAIMES,
24 RIVAS, CARDENAS, and CANTU under Sections 10176(a), 10176(i)
25 and/or 10177(g) and as to Respondent JAIMES 10177(h).

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(Respondent JAIME)

There is hereby incorporated in this Second, separate
independent cause of Accusation, all of the allegations
set forth in Paragraphs 1 through 18, with the same force and
effect as if herein fully set forth.

During the period from April, 2007, through May, 2007,

Respondent JAIMES failed to exercise reasonable supervision over the activities of salespersons in his employ as required under Regulation 2725, subdivisions (a), (b), (d), and (g).

During the period from April, 2007, through May, 2007,

Respondent JAIMES failed to exercise reasonable supervision over the activities of Piccasa Realty and Mass Loans when they were performing acts for which a real estate license was required, including supervision over the licensed activities of salespersons employed by Piccasa Realty and Mass Loans in that Respondents RIVAS, CANTU, and CARDENAS, committed the acts described in Paragraphs 10 through 17 above, on behalf of Mass Loans and Piccasa Realty.

The facts alleged above are grounds for the

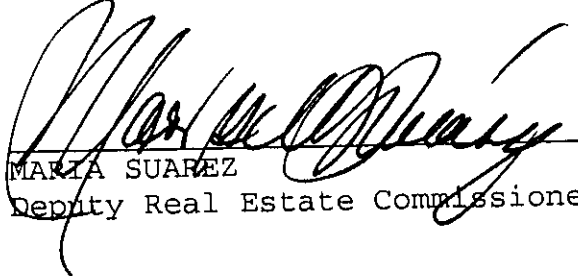
suspension or revocation of Respondent JAIMES under Sections 10177(d), 10177(g) and/or 10177(h) of the Code.

///

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 all licenses and/or license rights of
5 Respondents, MICHAEL JAIMES, doing business as Piccasa Realty,
6 Homeowners Escrow, and Mass Loans; NORMA PATRICIA RIVAS; LUCIA
7 F. CARDENAS; and JORGE ANTONIO CANTU, under the Real Estate Law
8 (Part 1 of Division 4 of the Business and Professions Code) and
9 for such other and further relief as may be proper under other
10 applicable provisions of law.

11 Dated at Los Angeles, California

12 this 24th day of March, 2010.

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16 MARIA SUAREZ

17 Deputy Real Estate Commissioner
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23 cc: Michael Jaimes, dba Piccasa Realty, Homeowners Escrow, and
24 Mass Loans
25 Norma Patricia Rivas
26 Lucia F. Cardenas
27 Jorge Antonio Cantu
28 Angela M. Estrada
Integrated Professional Services, Inc.
Maria Suarez
Sacto.