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FILED

SEP 28 2011

DEPARTMENT OF REAL ESTATE
BY: Ruana M. Blenau

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)
)
LATIN MORTGAGE CORPORATION, d.b.a)
Century One Realty, JAVIER G.)
GUIZADO and EDUARDO RICARDO)
GUIZADO,)
)
Respondents.)

No. H-36726 LA

DECISION

This Decision is being issued in accordance with the provisions of Section 11520 of the Government Code, on evidence of compliance with Section 11505 of the Government Code and pursuant to the Order of Default filed on August 15, 2011 and the findings of fact set forth herein are based on one or more of the following: (1) EDUARDO RICARDO GUIZADO's express admissions; (2) affidavits; and (3) other evidence.

FINDINGS OF FACT

1.

On July 14, 2010, Maria Suarez made the Accusation in her official capacity as a Deputy Real Estate Commissioner of the State of California. The Accusation, Statement to Respondent, and Notice of Defense were mailed by certified mail, return receipt requested, to EDUARDO RICARDO GUIZADO's ("E. GUIZADO") last known mailing address on file with the Department on July 15, 2010. The certified mail packet was received on July 19, 2010. A First Amended Accusation was served on E. Guizado by certified and regular mail on March 10, 2011. No response has been received from E. GUIZADO to date.

On August 15, 2011, no Notice of Defense having been filed by E. GUIZADO herein within the time prescribed by Section 11506 of the Government Code, E. GUIZADO's default was entered herein.

2.

E. GUIZADO presently has license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code ("Code") as a real estate salesperson. On January 26, 2011, E. GUIZADO's license expired. However, the Department holds jurisdiction over the lapsed license, pursuant to Code Section 10103.

3.

On or about August 17, 2007, E. GUIZADO signed as the interviewer on a Uniform Residential Loan Application submitted on behalf of the borrower, Maria Morales. The loan application provided false information regarding the income and employment status of Maria Morales, who offered evidence of being an unemployed dependent of her daughter for several years prior to submission of the loan application.

DETERMINATION OF ISSUES

1.

The conduct, acts and/or omissions of E. GUIZADO, as set forth above, provide cause for the suspension or revocation of the licenses and license rights of E. GUIZADO pursuant to Code Sections 10176(a) and 10176(i).

2.

The standard of proof applied was clear and convincing proof to a reasonable certainty.

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ORDER

The license and license rights EDUARDO RICARDO GUIZADO under the provisions of Part I of Division 4 of the Business and Professions Code are revoked.

This Decision shall become effective at 12 o'clock noon on OCT 18 2011.

DATED: 9/26/11.

BARBARA J. BIGBY
Acting Real Estate Commissioner



FILED

Department of Real Estate
320 West Fourth Street, Suite 350
Los Angeles, CA 90013

AUG 15 2011

(213) 576-6982

DEPARTMENT OF REAL ESTATE
BY: *Janice B. Olson*

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	NO. H-36726 LA
LATIN MORTGAGE CORPORATION, d.b.a.)	<u>DEFAULT ORDER</u>
Century One Realty, JAVIER G.)	
GUIZADO and <u>EDUARDO RICARDO</u>)	
<u>GUIZADO</u>)	
Respondent.)	

Respondent EDUARDO RICARDO GUIZADO, having failed to file a Notice of Defense within the time required by Section 11506 of the Government Code, is now in default. It is, therefore, ordered that a default be entered on the record in this matter.

IT IS SO ORDERED

August 15, 2011

BARBARA J. BIGBY
Acting Real Estate Commissioner

By: *Dolores Weeks*
DOLORES WEEKS
Regional Manager

SACTO
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● FILED

AUG 10 2011

DEPARTMENT OF REAL ESTATE
BY: D. Valencia

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

In the Matter of the Application of)	No. H-36726 LA
)	
)	L-2010100277
LATIN MORTGAGE CORPORATION,)	
d.b.a. Century One Realty,)	
JAVIER G. GUIZADO and)	
EDUARDO RICARDO GUIZADO,)	
)	
Respondents.)	

DECISION

The Proposed Decision dated April 28, 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.

~~This Decision shall become effective at 12 o'clock noon on~~ AUG 31 2011

IT IS SO ORDERED August 10, 2011

BARBARA J. BIGBY
Acting Real Estate Commissioner

William E. Moran

By WILLIAM E. MORAN
Assistant Commissioner, Enforcement

BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation Against:

LATIN MORTGAGE CORPORATION,
d.b.a. Century One Realty,
JAVIER G. GUIZADO and
EDUARDO RICARDO GUIZADO,

Respondents.

Case No. H-36726 LA

OAH No. 2010100277

PROPOSED DECISION

This matter regularly came before Amy C. Lahr, Administrative Law Judge, Office of Administrative Hearings, in Los Angeles, California, on March 29, 2011.

James Demus, Counsel, represented Complainant Maria Suarez, a Deputy Real Estate Commissioner, Department of Real Estate, State of California (Department).

Timothy Nilan, Attorney at Law, represented Latin Mortgage Corporation and Javier G. Guizado (Respondents).

Eduardo Guizado failed to appear at the hearing. With regard to his license, the Department proceeded with an internal default, pursuant to Government Code section 11520.

Oral and documentary evidence was received at the hearing and the matter was submitted for decision.

FACTUAL FINDINGS

1. Complainant filed the First Amended Accusation in her official capacity as a Deputy Real Estate Commissioner of the Department.

2. The Department issued a real estate broker license to Respondent Javier Guizado on May 10, 2005. He has been the designated officer for Respondent Latin Mortgage Corporation (Latin Mortgage) since May 20, 2005.

Unlicensed Activity and Misrepresentation

3. In 2007, Respondents employed Nelson Serrano (Serrano). Serrano is not licensed by the Department. Among other tasks, Serrano set up a table at farmer's markets, under the banner of Latin Mortgage and Century One Realty, and solicited consumers to

purchase homes. Respondents compensated Serrano for this work.

4. Maria Morales (Morales), a consumer who filed a complaint which led to this accusation, testified at the hearing. Morales met Serrano at the farmer's market on Rosecrans and Garfield. Morales thought that Serrano was licensed by the Department because he gave her a business card which bore both his and Latin Mortgage's name, and because he was very knowledgeable about purchasing real estate. Based on her conversations with Serrano, Morales thought she could purchase her own home. Serrano showed her approximately ten homes, and in October 2007, Morales found a home that she wanted to purchase.

5. Morales was unemployed in 2007, and had no income. Morales conveyed this information to Serrano, and he assured her that she would be able to finance the purchase of her own home. Unbeknownst to Morales, Serrano and Latin Mortgage falsified information on her loan application and tax returns, thus making her eligible for a home loan. Morales did not fill out the loan application, and she did not know who did. Morales is a Spanish-speaker, and the documents were written in English; thus, she could not read them. When she signed the documents, neither Serrano nor Latin Mortgage provided Morales with an interpreter. The loan application stated that she worked as an operations manager at "Karla's Drapes," earning \$7,873 per month, and that she had been in the industry for 15 years. All of this information was false. Morales stopped working in July 2003, due to an injury, and she has not worked since.

6. Morales gave Serrano a total of \$4,026.14 in connection with the real estate purchase. After Morales purchased the home, she found that it was in great disrepair. Serrano promised to give her \$10,000 to fix the house, but he did not. Morales could not move into the house until months later, after having expended \$12,000 to make it habitable.

7. Morales' daughter, Marilyn Moreno (Moreno), also testified at the hearing. She corroborated that her mother has not worked since 2003. Moreno claims Morales as a dependant on her income tax return because she supports her. Moreno accompanied her mother during the summer of 2007 while she was house-hunting. She also thought that Serrano was licensed by the Department because he was knowledgeable about the process of purchasing a home, and he acted as though he was a real estate professional. Moreno was not involved in the financing of her mother's home purchase. She was not present when her mother signed the final paperwork. Now that her mother owns a home that she cannot afford, Moreno and her brother are forced to assist their mother in making payments.

8. The evidence demonstrated that Respondents were involved in the Morales transaction, and that they had knowledge about Serrano's involvement. The escrow documents related to Morales' home purchase show Respondents listed as the selling agent, and Latin Mortgage Company as the mortgage broker. The documents also show that Respondent Javier Guizado received a commission in the amount of \$9,247.50 as a result of Morales' purchase.

9. Edgar E. B. Sarmiento (Sarmiento), Deputy Commissioner for the Department, testified at the hearing. Sarmiento explained that the basis for the case against Respondents were two consumer complaints: Morales, as detailed above; and a complaint from Jesus Rojas (Rojas) and Angela Guerrero (Guerrero). Rojas and Guerrero met Serrano in July 2007, outside a farmer's market in Paramount. Serrano offered his services to help either sell or purchase a house. Rojas and Guerrero paid Serrano \$1,000 in connection with the purchase of a house. They alleged that Serrano had run off with the money, and they filed a complaint with the Department.¹

10. The evidence showed that Latin Mortgage compensated Serrano for his services. As established through Sarmiento's testimony, a document entitled "Settlement Statement," showed that Latin Mortgage paid Serrano \$3,903 for unexplained services. All other charges are explained within this document, which is a federal form that sets forth amounts paid in a real estate transaction, except for the services provided by Serrano. Sarmiento opined that it was suspicious and irregular for Serrano to be compensated in this manner. If Serrano had been performing administrative duties, the only permissible unlicensed real estate activity, his compensation would have been reflected as such on the federal form. The fact that it was not lends itself to the conclusion that Serrano received compensation for performing unlicensed real estate services for Latin Mortgage.²

Failure to Retain Documents

11. Sarmiento's testimony also established that the Department subpoenaed all relevant documents from the purchase of a property facilitated by Respondents; however, Respondents did not produce them. Respondents claimed that they were unable to locate the

¹ The underlying documents which detailed the Rojas and Guerrero complaint were received as administrative hearsay, and are properly used here to supplement and explain other evidence, pursuant to Government Code section 11513, subdivision (d).

² Respondent Javier Guizado did not testify at the hearing; however, in a letter dated September 26, 2008, he contended that Serrano was his assistant, and provided services such as answering phone calls, photocopying and delivering documents, searching properties on the internet, and setting up presentations at swap meets. This statement was belied by the other evidence which showed that Serrano acted in more than an administrative capacity; for example, he did not merely set up presentations at the swap meet, but rather he solicited business on behalf of Respondents. In addition, Respondents claimed that Serrano worked as an independent contractor, which is unusual for an administrative assistant. Respondents denied that Serrano conducted any transactions. The credible evidence showed that Serrano conducted at least one transaction, and thus, Respondents' statements are given little weight.

requested records. Respondents were the victims of a vehicle theft and a burglary in their storage records facility, and the documents responsive to the subpoena were likely among those stolen. Respondents produced a police report to corroborate this event.

12. The Department did not establish that Respondents failed to properly retain documents.

Audit

13. From May 27, 2010 through October 27, 2010, Department General Auditor Isabel Beltran (Beltran) audited Respondents' books and records. During the audit, the following conditions were present:

- a. Respondents received appraisal fees through the close of escrow and failed to maintain a record of trust funds received and disbursed.
- b. Respondents received appraisal fees through the close of escrow and failed to maintain separate records for each beneficiary or transaction.
- c. Respondents commingled appraisal fees in a general bank account, and did not deposit them into a separate trust account.
- d. Respondents received undisclosed compensation by overcharging at least one client for appraisal fees.
- e. Respondents failed to properly complete approved Mortgage Loan Disclosure Statements (MDLS), by failing to disclose anticipated property liens, among other items. In addition, approved MDLS documents were missing from half of the examined transactions. Further, Respondents' Good Faith Estimates failed to state that they do not constitute a loan commitment, and did not disclose lender-paid rebates.
- f. Respondents' failed to include the license numbers of Latin Mortgage and its agents on the MDLS.
- g. Respondents failed to retain Eduardo Guizado's salesperson license certificate.
- h. Respondents failed to maintain a written broker salesperson relationship agreement with Eduardo Guizado.
- i. Respondents failed to provide complete records for audit examination purposes, despite repeated requests from the Department.

14. By virtue of the acts and omissions established in Factual findings 3 through 13, Respondent Javier Guizado failed to properly supervise and control the activities conducted on behalf of himself and Latin Mortgage.

15. Respondent Javier Guizado did not testify or introduce any evidence at the hearing.

LEGAL CONCLUSIONS

1. Cause exists to suspend or revoke Respondents' real estate broker licenses pursuant to Business and Professions Code sections 10137 and 10177, subdivisions (d) and (g), in that they compensated an employee for unlicensed activity, by reason of Factual Findings 3 through 10.

2. Cause exists to suspend or revoke Respondents' real estate broker licenses pursuant to Business and Professions Code section 10176, subdivisions (a) and (i), in that they substantially misrepresented information on a consumer's loan application and tax return, by reason of Factual Findings 3 through 10.

3. Cause does not exist to suspend or revoke Respondents' real estate broker licenses pursuant to Business and Professions Code sections 10148 and 10177, subdivisions (d) and (g), for failure to retain documents, by reason of Factual Findings 11 and 12.

4. Cause exists to suspend or revoke Respondents' real estate broker licenses pursuant to Business and Professions Code sections 10145, 10148, 10160, 10176, subdivisions (e) and (g), 10240, subdivisions (a) and (c), and California Code of Regulations, title 10, sections 2726, 2753, 2840, 2832, 2831, and 2831.1, by reason of Factual Finding 13.

5. Cause exists to suspend or revoke Respondents' real estate broker licenses pursuant to Business and Professions Code sections 10177, subdivisions (d), (g) and (h), 10159.2, and California Code of Regulations, title 10, section 2725, in that they failed to exercise reasonable supervision over their employees, by reason of Factual Findings 3 through 14.


6. Respondent Javier Guizado's licensure as a real estate broker allows him to work unsupervised and to supervise others. It is his responsibility to monitor his employees' actions and his own activity to ensure compliance with the Real Estate Law and regulations. The causes for discipline in this case arose from his failure to oversee his accounts and the activities of his employees. Respondents provided no explanation for these violations; demonstrated no remorse for the acts and omissions; gave no indication that they understand the wrongfulness of their actions; acknowledged no responsibility for their failed oversight;

and showed no willingness to change their conduct in order to comply with the Real Estate Law and regulations. If Respondents continued to hold broker licenses, and supervise others, the Department would have no safeguards to ensure their compliance with the Real Estate Law and regulations. Given the potential for further violations, permitting Respondents continued licensure would present an unacceptable risk to the public.

ORDER

All licenses and licensing rights of Respondents Latin Mortgage Corporation and Javier Guizado under the Real Estate Law are revoked.

Dated: April 28, 2011



AMY C. LAHR
Administrative Law Judge
Office of Administrative Hearings

Sacto
File

FILED

MAR 10 2011

JAMES DEMUS, Counsel (SBN 225005)
1 Department of Real Estate
320 West Fourth St., #350
2 Los Angeles, CA 90013

DEPARTMENT OF REAL ESTATE
BY: James B. Demus

3 (213) 576-6982
4 (213) 576-6910 (direct)

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	No. H-36726 LA
)	L-2010100277
LATIN MORTGAGE CORPORATION, d.b.a.))	
Century One Realty, JAVIER G)	<u>FIRST AMENDED</u>
GUIZADO and EDUARDO RICARDO)	<u>ACCUSATION</u>
GUIZADO,)	
)	
Respondents.)	

16 This Accusation amends the Accusation filed on July 15,
17 2010. The Complainant, Maria Suarez, a Deputy Real Estate
18 Commissioner of the State of California, for cause of Accusation
19 against LATIN MORTGAGE CORPORATION, d.b.a. Century One Realty,
20 JAVIER G GUIZADO and EDUARDO RICARDO GUIZADO alleges as follows:

I

22 The Complainant, Maria Suarez, acting in her official
23 capacity as a Deputy Real Estate Commissioner of the State of
24 California, makes this Accusation against LATIN MORTGAGE
25 CORPORATION, d.b.a. Century One Realty, JAVIER G GUIZADO and
26 EDUARDO RICARDO GUIZADO.

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II

LATIN MORTGAGE CORPORATION ("LATIN") is presently licensed and/or has license rights under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code, hereinafter "Code") as a corporate real estate broker. LATIN was first licensed by the Department of Real Estate for the State of California ("Department") on or about December 30, 2004.

III

Since December 30, 2004, LATIN has been registered with the Department as doing business as Century One Realty ("Century One").

IV

JAVIER G GUIZADO ("J. GUIZADO") is presently licensed and/or has license rights under the Real Estate Law as a real estate broker. J. GUIZADO was first licensed by the Department as a broker on or about May 10, 2005. Since May 20, 2005, J. GUIZADO has been a designated officer for LATIN.

V

EDUARDO RICARDO GUIZADO ("E. GUIZADO") is presently licensed and/or has license rights under the Real Estate Law as a real estate salesperson. E. GUIZADO was first licensed by the Department as a salesperson on or about January 27, 2007. Since January 27, 2007, E. GUIZADO has been employed by LATIN.

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1 VI

2 FIRST CAUSE OF ACCUSATION

3 (UNLICENSED ACTIVITY)

4 From approximately May 2007 through November 2007, J.
5 GUIZADO and LATIN compensated Nelson Serrano ("Serrano") for,
6 among other things, soliciting prospective real estate buyers at
7 swap meets. Serrano is not, nor has he ever been, licensed by
8 the Department in any capacity. On September 14, 2007, and
9 November 5, 2007, Century One issued checks of \$700 and \$1,500,
10 respectively to Serrano for "Swap Meet/Office Support". During
11 this time period, Maria Morales ("Morales") was solicited by
12 Serrano to purchase a home through LATIN. On July 18, 2007,
13 Serrano solicited Jesus Rojas and Angela Rojas by offering to
14 help in either the purchase or sale of a home.

15 VII

16 After soliciting Morales, Serrano showed Morales homes
17 for sale. In October 2007, Morales decided to make an offer on a
18 home Serrano showed her, located at 613 Pannes Avenue, Compton,
19 CA, 90221 ("property"). Serrano helped Morales with the loan and
20 filled out all of the paperwork. On November 7, 2007, Amended
21 Escrow Instructions were issued regarding the property. These
22 instructions authorized issuing a check payable to Serrano, in
23 the amount of \$3,903, at the close of escrow. On November 15,
24 2007, a Seller's Final Settlement Statement for the property
25 granted \$3,903 to Serrano.

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1 VIII

2 The conduct, acts, or omissions of LATIN and
3 J. GUIZADO, as alleged in paragraphs VI and VII above,
4 constitutes a violation of Code Section 10137 and subjects their
5 real estate licenses and license rights to suspension or
6 revocation pursuant to Sections 10137, 10177(d) and/or 10177(g)
7 of the Code.

8 IX

9 SECOND CAUSE OF ACCUSATION

10 (SUBSTANTIAL MISREPRESENTATION)

11 Morales has not earned an income since 2003, and has
12 been registered on her daughter's federal tax returns as a
13 dependant. Morales informed J.GUIZADO of this, who assured
14 Morales that she could still qualify to purchase the property
15 described in paragraph VII above. On August 17, 2007 a Uniform
16 Residential Loan Application was signed by E. GUIZADO as the
17 interviewer of Morales for LATIN. This loan application stated
18 that Morales had been employed by "Karla's Drapes & Floor
19 Covering" for 3 years. It also stated that she had a monthly
20 income of \$7,873. Morales could not read English and relied upon
21 LATIN employees' claims that the contents of the application were
22 true.

23 X

24 On October 8, 2007 and again on November 5, 2007,
25 Confidential Information Statements were sent to escrow by LATIN,
26 on behalf of Morales. Both of these Statements contained
27

1 falsified and contradictory employment information regarding
2 Morales.

3 XI

4 The conduct, acts, or omissions of LATIN, J. GUIZADO
5 and E. GUIZADO as alleged in paragraphs IX and X subjects their
6 real estate licenses and license rights to suspension or
7 revocation pursuant to Sections 10176(a) and/or 10176(i) of the
8 Code.

9 XII

10 THIRD CAUSE OF ACCUSATION

11 (FAILURE TO RETAIN DOCUMENTS)

12 On May 5, 2010, J. GUIZADO's counsel was personally
13 served with a subpoena duces tecum alleging sufficient cause to
14 require LATIN and J. GUIZADO to produce for inspection and
15 copying the following material connected with an offer to
16 purchase property located at 7317 Marcelle Street, Paramount, CA,
17 including, but not limited to:

18 Files containing any identifying information;
19 correspondence to escrow companies; statements of identity;
20 statements of accounting; receipts for funds received; cancelled
21 checks and check vouchers; check sheets reflecting acts
22 performed; writings reflecting communication with the parties to
23 the broker; correspondence enclosing documents to the parties;
24 required disclosures; complete transaction files; listing
25 agreements, MLS printouts and broker-salesperson agreements for
26 salespersons or brokers involved in the transaction.

27 In response to this subpoena duces tecum, J. GUIZADO

1 stated that he failed to retain any of the materials requested
2 pursuant to the subpoena duces tecum.

3 XIII

4 The conduct, acts, or omissions alleged in paragraph
5 XII above are grounds for the suspension or revocation of the
6 licenses of LATIN and J.GUIZADO under Section 10177(d) and/or
7 Section 10177(g) of the Code in conjunction with Section 10148 of
8 the Code.

9 XIV

10 FOURTH CAUSE OF ACCUSATION

11 (AUDIT INVESTIGATION)

12 At all times mentioned, in the City of Downey, County
13 of Los Angeles, LATIN acted as a real estate broker conducting
14 licensed activities within the meaning of Code Sections 10131(a)
15 and 10131(d): selling or offering to sell real property and
16 negotiating loans or performing services for borrowers in
17 connection with loans secured by liens on real property.

18 XV

19 On November 4, 2010, the Department completed an audit
20 examination of the books and records of LATIN pertaining to the
21 activities described in Paragraph XIV which require a real estate
22 license. The audit examination covered a period of time from
23 June 1, 2007 to May 31, 2010. The audit examination revealed
24 violations of the Code and the Regulations as set forth in the
25 following paragraphs, and as more fully discussed in Audit Report
26 LA090254 and the exhibits and workpapers attached to said audit
27

1 report.

2 TRUST ACCOUNT

3 XVI

4 During the audit period LATIN did not maintain a trust
5 account.

6 VIOLATIONS OF THE REAL ESTATE LAW

7 XVII

8 In the course of activities described in Paragraph XIV
9 above and during the examination period described in Paragraph
10 XV, Respondent LATIN acted in violation of the Code and the
11 Regulations in that:

12 (a) LATIN received appraisal fees through the close of
13 escrow and failed to maintain a record of trust funds received
14 and disbursed, in violation of Code Section 10145 and Regulation
15 2831.

16 (b) LATIN received appraisal fees through the close of
17 escrow and failed to maintain separate records of trust funds
18 received and disbursed, in violation of Code Section 10145 and
19 Regulation 2831.1.

20 (c) Appraisal fees were commingled in LATIN's general
21 bank account and not deposited in a trust account, in violation
22 of Code Sections 10145, 10176(e) and Regulation 2832.

23 (d) LATIN received undisclosed compensation by
24 overcharging at least one client for appraisal fees, in violation
25 of Code Section 10176(g).
26
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1 (e) Approved Mortgage Loan Disclosure Statements
2 ("MLDS") found in loan files were not complete. Rebates received
3 from lenders were not always disclosed to borrowers in the MLDS.
4 Also, the Good Faith Estimates did not always list the broker's
5 license number and failed to state that the "good faith estimate"
6 does not constitute a loan commitment, in violation of Code
7 Sections 10240(a), 10240(c) and Regulation 2840.

8 (f) The license numbers of LATIN and its loan agents
9 were not included on the MLDS, in violation of Regulation
10 10236.4.

11 (g) LATIN did not retain in its possession the license
12 certificate of salesperson E. GUIZADO, in violation of Code
13 Section 10160 and Regulation 2753.

14 (h) LATIN did not maintain a written Broker
15 Salesperson Relationship Agreement for E. GUIZADO, in violation
16 of Regulation 2726.

17 (i) The records of LATIN were not provided for audit
18 examination period of June 1, 2007 to May 31, 2010, including
19 bank statements, reliable copies of invoices, cancelled checks
20 relating to credit report and appraisal fees and the sales file
21 for Jesus Rojas, in violation of Code Section 10148.

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XVIII

The conduct of Respondent LATIN described in Paragraph XVII, above, violated the Code and the Regulations as set forth below:

PARAGRAPH

PROVISIONS VIOLATED

XVII(a)

Code Section 10145 and Regulation 2831

XVII(b)

Code Section 10145 and Regulation 2831.1

XVII(c)

Code Sections 10145, 10176(e) and Regulation 2832

XVII(d)

Code Section 10176(g)

XVII(e)

Code Sections 10240(a), 10240(c) and Regulation 2840

XVII(f)

Code Section 10236.4

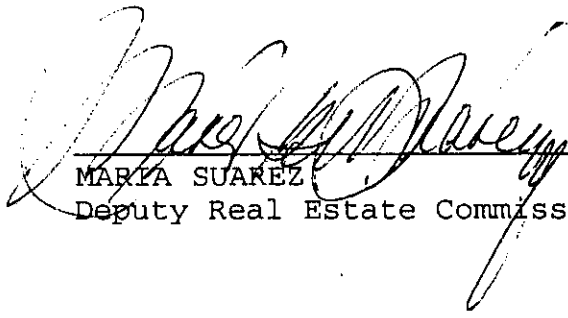
XVII(g)

Code Section 10160 and Regulation 2753

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 license rights of Respondents
5 LATIN MORTGAGE CORPORATION, d.b.a. Century One Investments &
6 Realty, JAVIER G GUIZADO and EDUARDO RICARDO GUIZADO under the
7 Real Estate Law (Part 1 of Division 4 of the Business and
8 Professions Code) and for such other and further relief as may be
9 proper under other applicable provisions of law.

10 Dated at Los Angeles, California

11 this 9th day of March 2011.

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15 MARIA SUAREZ
16 Deputy Real Estate Commissioner
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24 cc: Latin Mortgage Corporation
25 Javier G Guizado
26 Eduardo Ricardo Guizado
27 Maria Suarez
Sacto.

facts file

JAMES DEMUS, Counsel (SBN 225005)
Department of Real Estate
320 West Fourth St., #350
Los Angeles, CA 90013

FILED

JUL 15 2010

(213) 576-6982
(213) 576-6910 (direct)

DEPARTMENT OF REAL ESTATE
BY: *[Signature]*

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	No. H- 36726 LA
LATIN MORTGAGE CORPORATION, d.b.a.))	<u>A C C U S A T I O N</u>
Century One Realty, JAVIER G)	
GUIZADO and EDUARDO RICARDO)	
GUIZADO,)	
)	
Respondents.)	

The Complainant, Maria Suarez, a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against LATIN MORTGAGE CORPORATION, d.b.a. Century One Realty, JAVIER G GUIZADO and EDUARDO RICARDO GUIZADO alleges as follows:

I

The Complainant, Maria Suarez, acting in her official capacity as a Deputy Real Estate Commissioner of the State of California, makes this Accusation against LATIN MORTGAGE CORPORATION, d.b.a. Century One Realty, JAVIER G GUIZADO and EDUARDO RICARDO GUIZADO.

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II

LATIN MORTGAGE CORPORATION ("LATIN") is presently licensed and/or has license rights under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code, hereinafter "Code") as a corporate real estate broker. LATIN was first licensed by the Department of Real Estate for the State of California ("Department") on or about December 30, 2004.

III

Since December 30, 2004, LATIN has been registered with the Department as doing business as Century One Realty ("Century One").

IV

JAVIER G GUIZADO ("J. GUIZADO") is presently licensed and/or has license rights under the Real Estate Law as a real estate broker. J. GUIZADO was first licensed by the Department as a broker on or about May 10, 2005. Since May 20, 2005, J. GUIZADO has been a designated officer for LATIN.

V

EDUARDO RICARDO GUIZADO ("E. GUIZADO") is presently licensed and/or has license rights under the Real Estate Law as a real estate salesperson. E. GUIZADO was first licensed by the Department as a salesperson on or about January 27, 2007. Since January 27, 2007, E. GUIZADO has been employed by LATIN.

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1 VI

2 FIRST CAUSE OF ACCUSATION

3 (UNLICENSED ACTIVITY)

4 From approximately May 2007 through November 2007, J.
5 GUIZADO and LATIN compensated Nelson Serrano ("Serrano") for,
6 among other things, soliciting prospective real estate buyers at
7 swap meets. Serrano is not, nor has he ever been, licensed by
8 the Department in any capacity. On September 14, 2007, and
9 November 5, 2007, Century One issued checks of \$700 and \$1,500,
10 respectively to Serrano for "Swap Meet/Office Support". During
11 this time period, Maria Morales ("Morales") was solicited by
12 Serrano to purchase a home through LATIN. On July 18, 2007,
13 Serrano solicited Jesus Rojas and Angela Rojas by offering to
14 help in either the purchase or sale of a home.

15 VII

16 After soliciting Morales, Serrano showed Morales homes
17 for sale. In October 2007, Morales decided to make an offer on a
18 home Serrano showed her, located at 613 Pannes Avenue, Compton,
19 CA, 90221 ("property"). Serrano helped Morales with the loan and
20 filled out all of the paperwork. On November 7, 2007, Amended
21 Escrow Instructions were issued regarding the property. These
22 instructions authorized issuing a check payable to Serrano, in
23 the amount of \$3,903, at the close of escrow. On November 15,
24 2007, a Seller's Final Settlement Statement for the property
25 granted \$3,903 to Serrano.

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1 VIII

2 SECOND CAUSE OF ACCUSATION

3 (SUBSTANTIAL MISREPRESENTATION)

4 Morales has not earned an income since 2003, and has
5 been registered on her daughter's federal tax returns as a
6 dependant. Morales informed J.GUIZADO of this, who assured
7 Morales that she could still qualify to purchase the property
8 described in paragraph VII above. On August 17, 2007 a Uniform
9 Residential Loan Application was signed by E. GUIZADO as the
10 interviewer of Morales for LATIN. This loan application stated
11 that Morales had been employed by "Karla's Drapes & Floor
12 Covering" for 3 years. It also stated that she had a monthly
13 income of \$7,873. Morales could not read English and relied upon
14 LATIN employees' claims that the contents of the application were
15 true.

16 IX

17 On October 8, 2007 and again on November 5, 2007,
18 Confidential Information Statements were sent to escrow by LATIN,
19 on behalf of Morales. Both of these Statements contained
20 falsified and contradictory employment information regarding
21 Morales.

22 X

23 THIRD CAUSE OF ACCUSATION

24 (FAILURE TO RETAIN DOCUMENTS)

25 On May 5, 2010, J. GUIZADO's counsel was personally
26 served with a subpoena duces tecum alleging sufficient cause to
27 require LATIN and J. GUIZADO to produce for inspection and

1 copying the following material connected with an offer to
2 purchase property located at 7317 Marcelle Street, Paramount, CA,
3 902723, including, but not limited to:

4 Files containing any identifying information;
5 correspondence to escrow companies; statements of identity;
6 statements of accounting; receipts for funds received; cancelled
7 checks and check vouchers; check sheets reflecting acts
8 performed; writings reflecting communication with the parties to
9 the broker; correspondence enclosing documents to the parties;
10 required disclosures; complete transaction files; listing
11 agreements, MLS printouts and broker-salesperson agreements for
12 salespersons or brokers involved in the transaction.

13 In response to this subpoena duces tecum, J. GUIZADO
14 stated that he failed to retain any of the materials requested
15 pursuant to the subpoena duces tecum.

16 XI

17 The conduct, acts, or omissions of LATIN and
18 J. GUIZADO, as alleged in paragraphs VI and VII above,
19 constitutes a violation of Code Section 10137 and subjects their
20 real estate licenses and license rights to suspension or
21 revocation pursuant to Sections 10137, 10177(d) and/or 10177(g)
22 of the Code.

23 XII

24 The conduct, acts, or omissions of LATIN, J. GUIZADO
25 and E. GUIZADO as alleged in paragraphs VIII and XI subjects
26 their real estate licenses and license rights to suspension or
27

1 revocation pursuant to Sections 10176(a) and/or 10176(i) of the
2 Code.

3 XIII

4 The conduct, acts, or omissions alleged in paragraph X
5 above are grounds for the suspension or revocation of the
6 licenses of LATIN and J.GUIZADO under Section 10177(d) and/or
7 Section 10177(g) of the Code in conjunction with Section 10148 of
8 the Code.

9 XIV

10 FOURTH CAUSE OF ACCUSATION

11 (FAILURE TO SUPERVISE)

12 The conduct, acts, or omissions of J. GUIZADO, as
13 alleged in paragraphs VI through X above, constitutes violations
14 of Code Section 10159.2 and Section 2725, Title 10, Chapter 6, in
15 the California Code of Regulations and subjects his real estate
16 licenses and license rights to suspension or revocation pursuant
17 to Sections 10177(d), 10177(h) and/or 10177(g) of the Code.

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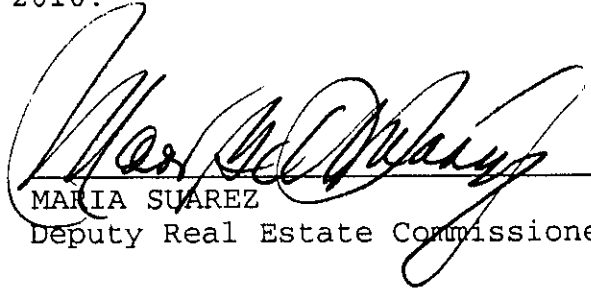
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1 WHEREFORE, Complainant prays that a hearing be
2 conducted on the allegations of this Accusation and that upon
3 proof thereof, a decision be rendered imposing disciplinary
4 action against all licenses and license rights of Respondents
5 LATIN MORTGAGE CORPORATION, d.b.a. Century One Investments &
6 Realty, JAVIER G GUIZADO and EDUARDO RICARDO GUIZADO under the
7 Real Estate Law (Part 1 of Division 4 of the Business and
8 Professions Code) and for such other and further relief as may be
9 proper under other applicable provisions of law.

10 Dated at Los Angeles, California

11 this 14th day of July, 2010.

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15 MARIA SUAREZ
16 Deputy Real Estate Commissioner
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23

24 cc: Latin Mortgage Corporation
25 Javier G Guizado
26 Eduardo Ricardo Guizado
27 Maria Suarez
Sacto.