

1 Department of Real Estate
2 320 W. 4TH Street, Suite 350
3 Los Angeles, CA 90013-1105

4 Telephone: (213) 576-6982

FILED

FEB 13 2012

DEPARTMENT OF REAL ESTATE
BY: 

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)

12 LA VALLEY REALTY INC. doing business)
13 as Casa D'Realty; LILIANA ARIAS)
14 individually and as designated)
15 officer of LA Valley Realty Inc.;)
16 JUAN CARLOS GONZALEZ; and CARLOS)
17 GRECO BOLUARTE,)

18 Respondents.)

No. H-37082 LA

STIPULATION
AND
AGREEMENT

18 It is hereby stipulated by and between Respondent
19 CARLOS GRECO BOLUARTE, acting on his own behalf, and the
20 Complainant, acting by and through Amelia V. Vetrone, Counsel
21 for the Department of Real Estate, as follows for the purpose of
22 settling and disposing of the Accusation ("Accusation") filed on
23 February 23, 2011, in this matter:

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

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

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

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

20 4. This Stipulation is based on the factual
21 allegations contained in the Accusation. In the interest of
22 expedience and economy, Respondent chooses not to contest these
23 allegations, but to remain silent and understands that, as a
24 result thereof, these factual allegations, without being admitted
25 or denied, will serve as a prima facie basis for the disciplinary
26 action stipulated to herein. The Real Estate Commissioner shall
27 not be required to provide further evidence to prove said factual

1 allegations.

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

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

19 7. The Order or any subsequent Order of the Real
20 Estate Commissioner made pursuant to this Stipulation shall not
21 constitute an estoppel, merger or bar to any further
22 administrative or civil proceedings by the Department of Real
23 Estate with respect to any matters which were not specifically
24 alleged to be causes for accusation in this proceeding.

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II.

1. The restricted license issued to Respondent 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.

2. The restricted license issued to Respondent 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.

3. Respondent 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 two (2) years has elapsed from the
effective date of the issuance of the restricted license.

4. Respondent shall submit with any application for
license under an employing broker, or any application for
transfer to a new employing broker, a statement signed by the
prospective employing real estate broker on a form approved by
the Department of Real Estate which shall certify:

(a) That the employing broker has read the
Decision of the Commissioner which granted the
right to a restricted license; and

(b) That the employing broker will exercise
close supervision over the performance by the

1 restricted licensee relating to activities for
2 which a real estate license is required.

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

15 6. Respondent CARLOS GRECO BOLUARTE shall within six
16 (6) months from the effective date of the Decision herein, take
17 and pass the Professional Responsibility Examination administered
18 by the Department including the payment of the appropriate
19 examination fee. If Respondent fails to satisfy this condition,
20 the Commissioner may order suspension of Respondent's license
21 until Respondent passes the examination. The Commissioner shall
22 afford Respondent the opportunity for a hearing pursuant to the
23 Administrative Procedure Act to present such evidence.

24
25 DATED: 12-28-11



26 Amelia V. Vetrone, Counsel for
27 Department of Real Estate

* * *

EXECUTION OF THE STIPULATION

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

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MAILING AND FACSIMILE

Respondent (1) shall mail the original signed signature page of the stipulation herein to Amelia V. Vetrone: Attention: Legal Section, Department of Real Estate, 320 W. Fourth St., Suite 350, Los Angeles, California 90013-1105. Respondent shall also (2) facsimile a copy of signed signature page, to the Department at the following telephone/fax number: (213) 576-6917, Attention: Amelia V. Vetrone.

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: 12/28/11



CARLOS GRECO BOLAARTE
Respondent

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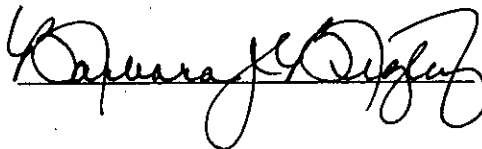
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* * *

The foregoing Stipulation and Agreement is hereby
adopted as my Decision as to Respondent CARLOS GRECO BOLUARTE,
and shall become effective at 12 o'clock noon on
March 5, 2012.

IT IS SO ORDERED 1/19, 2012 .

BARBARA J. BIGBY
Acting Real Estate Commissioner



1 Department of Real Estate
2 320 W. 4TH Street, Suite 350
3 Los Angeles, CA 90013-1105

4 Telephone: (213) 576-6982

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8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

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11 In the Matter of the Accusation of)

12 LA VALLEY REALTY INC. doing business)
13 as Casa D'Realty; LILIANA ARIAS)
14 individually and as designated)
15 officer of LA Valley Realty Inc.;)
16 JUAN CARLOS GONZALEZ; and CARLOS)
17 GRECO BOLUARTE,)

18 Respondents.)

No. H-37082 LA

STIPULATION
AND
AGREEMENT

18 It is hereby stipulated by and between Respondents
19 LA VALLEY REALTY INC. doing business as Casa D'Realty, LILIANA
20 ARIAS, individually and as designated officer of LA Valley
21 Realty Inc., and JUAN CARLOS GONZALEZ (sometimes collectively
22 referred to as "Respondents"), and their attorney of record, R.
23 Grace Rodriguez of LAW OFFICES OF R. GRACE RODRIGUEZ, and the
24 Complainant, acting by and through Amelia V. Vetrone, Counsel
25 for the Department of Real Estate, as follows for the purpose of
26 settling and disposing of the Accusation ("Accusation") filed on
27 February 23, 2011, in this matter:

1 1. All issues which were to be contested and all
2 evidence which was to be presented by Complainant and Respondents
3 at a formal hearing on the Accusation, which hearing was to be
4 held in accordance with the provisions of the Administrative
5 Procedure Act ("APA"), shall instead and in place thereof be
6 submitted solely on the basis of the provisions of this
7 Stipulation and Agreement ("Stipulation").

8 2. Respondents have received, read and understand the
9 Statement to Respondent, the Discovery Provisions of the APA and
10 the Accusation filed by the Department of Real Estate in this
11 proceeding.

12 3. Respondents filed a Notice of Defense pursuant to
13 Section 11506 of the Government Code for the purpose of
14 requesting a hearing on the allegations in the Accusation.
15 Respondents hereby freely and voluntarily withdraw said Notice of
16 Defense. Respondents acknowledge that they understand that by
17 withdrawing said Notice of Defense they thereby waive their right
18 to require the Commissioner to prove the allegations in the
19 Accusation at a contested hearing held in accordance with the
20 provisions of the APA and that they will waive other rights
21 afforded to them in connection with the hearing such as the right
22 to present evidence in their defense the right to cross-examine
23 witnesses.

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

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"), or
10 another licensing agency of this state, another state or if the
11 federal government is involved, and otherwise shall not be
12 admissible in any other criminal or civil proceeding.

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

23 7. The Order or any subsequent Order of the Real
24 Estate Commissioner made pursuant to this Stipulation shall not
25 constitute an estoppel, merger or bar to any further
26 administrative or civil proceedings by the Department of Real
27 Estate with respect to any matters which were not specifically

1 alleged to be causes for accusation in this proceeding.

2 8. Respondents LA VALLEY REALTY INC. ("LAVRI") and
3 LILIANA ARIAS ("ARIAS") understand that by agreeing to this
4 Stipulation, Respondents agree to pay, pursuant to Business and
5 Professions Code Section 10148, the cost of the audit which led
6 to this disciplinary action. The amount of said cost is
7 \$5,992.00.

8 9. Respondents LAVRI and ARIAS have received, read,
9 and understand the "Notice Concerning Costs of Subsequent Audit."
10 Respondents further understand that by agreeing to this
11 Stipulation, the findings set forth below in the Determination of
12 Issues become final, and the Commissioner may charge Respondents
13 for the cost of any subsequent audit conducted pursuant to
14 Business and Professions Code Section 10148 to determine if the
15 violations have been corrected. The maximum cost of the
16 subsequent audit will not exceed \$5,992.00.

17
18 DETERMINATION OF ISSUES

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

21 I.

22 The conduct of LA VALLEY REALTY INC. and LILIANA ARIAS
23 as described in Paragraph 4, herein above, is in violation of
24 Sections 10085, 10137, 10145, 10146, 10159.2, 10159.5, 10177(h),
25 and 10240 of the Business and Professions Code ("Code") and
26 Sections 2725, 2731, 2831, 2831.1, 2831.2, 2832, 2832.1, 2834,
27 2840, 2970, and 2972 of Title 10, Chapter 6 of the California

1 Code of Regulations ("Regulations") and is a basis for discipline
2 of Respondent's license and license rights as a violation of the
3 Real Estate Law pursuant to Code Section 10177(d), 10177(g) and
4 10177(h).

5 II.

6 The conduct of JUAN CARLOS GONZALEZ as described in
7 Paragraph 4, herein above, is in violation of Sections 10085,
8 10130, and 10145(c) of the Business and Professions Code ("Code")
9 and Section 2970 of Title 10, Chapter 6 of the California Code of
10 Regulations ("Regulations") and is a basis for discipline of
11 Respondent's license and license rights as a violation of the
12 Real Estate Law pursuant to Code Section 10177(d), 10177(g), and
13 10177(j).

14 ORDER

15 WHEREFORE, THE FOLLOWING ORDER is hereby made:

16 I.

17 The real estate broker licenses of Respondents
18 LA VALLEY REALTY INC. and LILIANA ARIAS under the Real Estate Law
19 are revoked; provided, however, a restricted real estate broker
20 license shall be issued to Respondents, pursuant to Section
21 10156.5 of the Business and Professions Code, if Respondents:

22 A. Make application therefor and pay to the Department
23 of Real Estate the appropriate fee for the restricted license
24 within ninety (90) days from the effective date of this Decision.

25 B. Respondent ARIAS shall, prior to and as a condition
26 of the issuance of the restricted license, submit proof
27 satisfactory to the Commissioner of having taken and successfully

1 completed the continuing education course on trust fund
2 accounting and handling specified in paragraph (3) of subdivision
3 (a) of Section 10170.5 of the Business and Professions Code.

4 Proof of satisfaction of this requirement includes evidence that
5 respondent has successfully completed the trust fund account and
6 handling continuing education course within 120 days prior to the
7 effective date of the Decision in this matter.

8 The restricted license issued to Respondents shall be
9 subject to all of the provisions of Section 10156.7 of the Code
10 and the following limitations, conditions and restrictions
11 imposed under authority of Section 10156.6 of that Code.

12 1. The restricted license issued to Respondent ARIAS
13 may be suspended prior to hearing by Order of the Real Estate
14 Commissioner in the event of Respondent ARIAS's conviction or
15 plea of nolo contendere to a crime which is substantially related
16 to Respondent's fitness or capacity as a real estate licensee.

17 2. The restricted license issued to Respondents may be
18 suspended prior to hearing by Order of the Real Estate
19 Commissioner on evidence satisfactory to the Commissioner that
20 Respondents have violated provisions of the California Real
21 Estate Law, the Subdivided Lands Law, Regulations of the Real
22 Estate Commissioner or conditions attaching to the restricted
23 licenses.

24 3. Respondents shall not be eligible to apply for the
25 issuance of an unrestricted real estate license nor for the
26 removal of any of the conditions, limitations or restrictions of
27 a restricted license until two (2) years has elapsed from the

1 effective date of the issuance of the restricted license.

2 II.

3 The real estate salesperson license of Respondent
4 JUAN CARLOS GONZALEZ ("GONZALEZ") under the Real Estate Law is
5 revoked; provided, however, a restricted real estate salesperson
6 license shall be issued to Respondent, pursuant to Section
7 10156.5 of the Business and Professions Code, if Respondent:

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

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

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

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

1 license.

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

7 4. Respondent shall submit with any application for
8 license under an employing broker, or any application for
9 transfer to a new employing broker, a statement signed by the
10 prospective employing real estate broker on a form approved by
11 the Department of Real Estate which shall certify:

12 (a) That the employing broker has read the
13 Decision of the Commissioner which granted the
14 right to a restricted license; and

15 (b) That the employing broker will exercise
16 close supervision over the performance by the
17 restricted licensee relating to activities for
18 which a real estate license is required.

19 III.

20 1. Respondents ARIAS and GONZALEZ shall, within nine
21 (9) months from the effective date of this Decision, present
22 evidence satisfactory to the Real Estate Commissioner that
23 Respondents have, since the most recent issuance of an original
24 or renewal real estate license, taken and successfully completed
25 the continuing education requirements of Article 2.5 of Chapter 3
26 of the Real Estate Law for renewal of a real estate license. If
27 either Respondent fails to satisfy this condition, the

1 Commissioner may order the suspension of that Respondent's
2 restricted license until the Respondent presents such evidence.
3 The Commissioner shall afford Respondent the opportunity for a
4 hearing pursuant to the Administrative Procedure Act to present
5 such evidence.

6 2. Respondent ARIAS and GONZALEZ shall within six (6)
7 months from the effective date of the Decision herein, take and
8 pass the Professional Responsibility Examination administered by
9 the Department including the payment of the appropriate
10 examination fee. If either Respondent fails to satisfy this
11 condition, the Commissioner may order suspension of that
12 Respondent's license until the Respondent passes the examination.
13 The Commissioner shall afford Respondent the opportunity for a
14 hearing pursuant to the Administrative Procedure Act to present
15 such evidence.

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1 IV.

2 Pursuant to Section 10148 of the Business and
3 Professions Code, Respondents LA VALLEY REALTY INC. and LILIANA
4 ARIAS shall pay the Commissioner's reasonable cost for (a) the
5 audit which led to this disciplinary action and (b) a subsequent
6 audit to determine if Respondents are now in compliance with the
7 Real Estate Law. The cost of the audit which led to this action
8 is \$5,992.00. In calculating the amount of the Commissioner's
9 reasonable cost, the Commissioner may use the estimated average
10 hourly salary for all persons performing audits of real estate
11 brokers, and shall include an allocation for travel time to and
12 from the auditor's place of work. Said amount for the prior and
13 subsequent audits combined shall not exceed \$11,984.00.

14 Respondents LA VALLEY REALTY INC. and LILIANA ARIAS, or
15 either of them, shall pay such cost within 60 days of receiving
16 an invoice from the Commissioner detailing the activities
17 performed during the audit and the amount of time spent
18 performing those activities.

19 The Commissioner may suspend the licenses of
20 Respondents pending a hearing held in accordance with Section
21 11500, et seq., of the Government Code, if payment is not timely
22 made as provided for herein, or as provided for in a subsequent
23 agreement between said Respondents and the Commissioner. The
24 suspension shall remain in effect until payment is made in full
25 or until said Respondents enter into an agreement satisfactory to
26 the Commissioner to provide for payment, or until a decision
27 providing otherwise is adopted following a hearing held pursuant

1 to this condition.

2 V.

3 All licenses and licensing rights of Respondents LAVRI

4 and ARIAS are indefinitely suspended unless or until Respondents
5 provide proof satisfactory to the Commissioner that the trust
6 fund deficit of \$5,528.09 set forth in the audit report described
7 in the Accusation has been restored, including the identification
8 of the source of funds used to cure the deficit.

9 VI.

10 All licenses and licensing rights of LAVRI, ARIAS, and

11 GONZALEZ are indefinitely suspended unless or until Respondents
12 provide proof satisfactory to the Commissioner that the affairs
13 of Casa D'Realty, a fictitious business name of LA VALLEY REALTY
14 INC., have been wound up and Casa D'Realty is no longer
15 operative.

16 VII.

17 All licenses and licensing rights of Respondents LAVRI

18 and GONZALEZ are indefinitely suspended unless or until
19 Respondents provides proof satisfactory to the Commissioner that
20 the small claims court judgment of \$1,850.00, plus interest, owed
21 to Victor Estin and described in the Accusation has been
22 satisfied in full.

23 VIII.

24 All licenses and licensing rights of Respondent

25 GONZALEZ are indefinitely suspended unless or until Respondent
26 provides proof satisfactory to the Commissioner that restitution
27 of advance fees paid by borrowers Skinner (\$2,500), Villagran

1 (\$5,000), and Lujan (\$2,500) as described in the Accusation has
2 been made full.

3
4
5 DATED: 12-29-11

Amelia V. Vetrone
6 AMELIA V. VETRONE, Counsel for
7 Department of Real Estate
8

9 * * *

10 EXECUTION OF THE STIPULATION
11

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

23 MAILING AND FACSIMILE

24 Respondents (1) shall mail the original signed
25 signature page of the stipulation herein to Amelia V. Vetrone:
26 Attention: Legal Section, Department of Real Estate, 320 W.
27

12/28/2011 23:37 818886:

LA VALLEY REALT

PAGE 01/01


12/28/2011 WHO 18:01 FAX

2013/014


1 Fourth St., Suite 350, Los Angeles, California 90013-1105.
2 Respondents shall also (2) facsimile a copy of signed signature
3 page, to the Department at the following telephone/fax number:
4 (213) 576-6917, Attention: Amelia V. Vetrone.

5 A facsimile constitutes acceptance and approval of the
6 terms and conditions of this stipulation. Respondents agree,
7 acknowledge and understand that by electronically sending to the
8 Department a facsimile copy of Respondents' actual signature as
9 it appears on the stipulation that receipt of the facsimile copy
10 by the Department shall be as binding on Respondents as if the
11 Department had received the original signed stipulation.

12
13 DATED: 12/29/11


LA VALLEY REALTY INC.
BY: LILLIANA ARIAS, as
designated officer
Respondent


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17 DATED: 12/29/11


LILLIANA ARIAS, individually and as
designated officer of LA Valley
Realty Inc. Respondent

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21 DATED: 12/29/11


JUAN CARLOS GONZALEZ, Respondent

22
23
24 DATED: 12/29/11

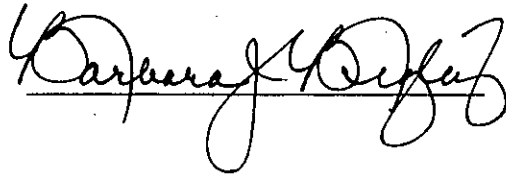

R. GRACE RODRIGUEZ, ESQ.,
Attorney for Respondents
Approved as to form

1 * * *

2 The foregoing Stipulation and Agreement is hereby
3 adopted as my Decision as to Respondents LA VALLEY REALTY INC.
4 doing business as Casa D'Realty, LILIANA ARIAS, individually and
5 as designated officer of LA Valley Realty Inc., and JUAN CARLOS
6 GONZALEZ and shall become effective at 12 o'clock noon on
7 March 14, 2012.

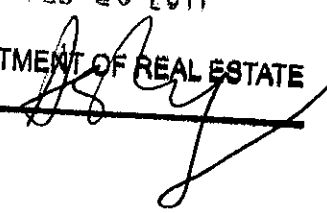
8 IT IS SO ORDERED 1/19, 2012.
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10 BARBARA J. BIGBY
11 Acting Real Estate Commissioner

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FILED

FEB 23 2011

DEPARTMENT OF REAL ESTATE
BY: 

Amelia V. Vetrone, SBN 134612
Department of Real Estate
320 West 4th Street, Ste. 350
Los Angeles, California 90013-1105

Telephone: (213) 576-6982
Direct (213) 576-6940

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STATE OF CALIFORNIA

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No. H-37082 LA

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as Casa D'Realty; and LILIANA ARIAS
individually and as designated officer
of LA Valley Realty Inc.; JUAN CARLOS
GONZALEZ; and CARLOS GRECO BOLUARTE,

A C C U S A T I O N

Respondents.

The Complainant, Robin Trujillo, a Deputy Real Estate
Commissioner of the State of California, for cause of Accusation
against LA VALLEY REALTY INC. doing business as Casa D'Realty,
LILIANA ARIAS individually and as designated officer of LA VALLEY
REALTY INC., JUAN CARLOS GONZALEZ, and CARLOS GRECO BOLUARTE,
alleges as follows:

1.

The Complainant, Robin Trujillo, a Deputy Real Estate
Commissioner of the State of California, makes this Accusation in

1 her official capacity.

2 2.

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

6 3.

7 Respondent LA VALLEY REALTY INC. ("LAVRI") is licensed
8 by the Department of Real Estate ("Department") as a corporate
9 real estate broker. Respondent LAVRI was originally licensed as
10 a corporate real estate broker on or about December 23, 2008,
11 with Respondent LILIANA ARIAS ("ARIAS"), as its designated
12 officer. To date the designated officer of LAVRI is ARIAS.
13 LAVRI registered the licensed fictitious business name "Casa
14 D'Realty" during the period beginning December 23, 2008 and
15 ending December 27, 2009.

16 4.

17 Respondent ARIAS is licensed by the Department as a
18 real estate broker. Respondent ARIAS was originally licensed as
19 a real estate broker on or about November 27, 2006.

20 5.

21 Respondent JUAN CARLOS GONZALEZ is licensed by the
22 Department as a real estate salesperson. Respondent GONZALEZ was
23 originally licensed as a real estate salesperson on or about
24 January 31, 2008. Respondent GONZALEZ was employed by Respondent
25 ARIAS from on or about September 17, 2008, to on or about March
26 18, 2009, when GONZALEZ changed his employment to LAVRI. To
27 date, GONZALEZ is employed by LAVRI.

1 6.

2 Respondent CARLOS GRECO BOLUARTE is licensed by the
3 Department as a real estate salesperson. Respondent BOLUARTE was
4 originally licensed as a real estate salesperson on or about
5 October 5, 2005. Respondent BOLUARTE was employed by Respondent
6 ARIAS from on or about September 17, 2008, to on or about
7 February 16, 2009, and by LAVRI from on or about February 17,
8 2009, to on or about December 8, 2009.

9 7.

10 At all times herein relevant, LAVRI was licensed by the
11 Department as a corporate real estate broker by and through
12 Respondent ARIAS as the designated officer and broker
13 responsible, pursuant to Code Section 10159.2 for supervising the
14 activities requiring a real estate license conducted on behalf of
15 LAVRI by its officers, agents, and employees, as herein set
16 forth.

17 8.

18 At all times herein relevant, Respondents engaged in
19 the business of, acted in the capacity of, advertised or assumed
20 to act as real estate brokers in the State of California within
21 the meaning of Code Sections 10131(d) and 10131.2. Their
22 activities included soliciting borrowers or lenders for and/or
23 negotiating loans, collecting payments and/or performing services
24 for borrowers or lenders in connection with loans secured by
25 liens on real property. Their activities also included claiming,
26 demanding, charging, receiving, collecting or contracting for the
27 collection of advance fees within the meaning of Code Sections

1 10026 and 10085. Respondents advertised, solicited and offered
2 to provide loan modification services to economically distressed
3 homeowners seeking adjustments to the terms and conditions of
4 their home loans including, but not limited to, repayment plans,
5 forbearance plans, partial claims, and reduction in principal or
6 interest, extenuations, foreclosure prevention and short sales.

7 FIRST CAUSE OF ACTION

8 (Audit of LAVRI)

9 9.

10 On August 10, 2009, the Department completed an audit
11 examination of the books and records of LAVRI pertaining to the
12 mortgage loan brokerage and the loan modification activities
13 described in paragraph 8, above. The audit examination covered
14 the period of time from January 1, 2009 to May 31, 2009. The
15 primary purpose of the examination was to determine Respondent
16 LAVRI's and Respondent ARIAS's compliance with the Real Estate
17 Law. The audit examination revealed numerous violations of the
18 Code and the Regulations as set forth in the following
19 paragraphs, and more fully discussed in Audit Report LA 080315
20 and the exhibits and work papers attached to said audit report.

21 Bank and Trust Accounts

22 10.

23 At all times herein relevant, in connection with the
24 activities described in Paragraph 8, above, LAVRI accepted or
25 received funds including funds in trust (hereinafter "trust
26 funds") from or on behalf of actual or prospective parties,
27 including economically distressed homeowner-borrowers as advance

1 fees for loan modifications handled by LAVRI and for mortgage
2 loans. Thereafter LAVRI made deposits and or disbursements of
3 such trust funds. From time to time herein mentioned during the
4 audit period, said trust funds were deposited and/or maintained
5 by LAVRI in the following bank accounts as LAVRI did not maintain
6 a trust account during the audit period:

7
8 Casa D'Realty Inc.
9 Account No. 306-XXXXXX-0 (Redacted for security)
10 Chase Bank
11 Studio City, California

12
13 (B/A #1 - LAVRI's general business account used for deposit
14 of advance fees collected from homeowners for loan
15 modifications)

16
17 LA Valley Realty Inc DBA Casa D'Realty
18 Account No. 411-XXXXXX-0 (Redacted for security)
19 Chase Bank
20 Chatsworth, California

21
22 (B/A #2 - LAVRI's general business account)

23
24 Violations

25
26 11.

27
28 In the course of activities described in Paragraph 8,
29 above, and during the examination period described in Paragraph
30 9, above, Respondents LAVRI and ARIAS, acted in violation of the
31 Code and the Regulations in that Respondents:

32
33 (a) Permitted, allowed or caused the disbursement of
34 trust funds from LAVRI bank account B/A #1 where advance fees
35 collected from homeowner-borrowers seeking modifications to their
36 existing home loans were deposited, and where the disbursement of

1 funds reduced the total of aggregate funds in B/A #1, to an
2 amount which, on May 31, 2009, was \$35,528.09, less than the
3 existing aggregate trust fund liability to every homeowner-
4 borrower who was an owner of said funds, without first obtaining
5 the prior written consent of the owners of said funds, in
6 violation of Code Sections 10145, 10176(i) and/or 10177(g), and
7 Regulation 2832.1.

8 (b) Mixed and commingled trust funds with LAVRI's
9 general funds by depositing trust funds in the form of collected
10 advance fees solicited from homeowner-borrowers for loan
11 modification services into B/A #1, and B/A #2, in violation of
12 Code Sections 10145, 10176(e) and Regulation 2832; and

13 (c) Converted trust funds by depositing trust funds in
14 the form of advance fees solicited from homeowner-borrowers for
15 loan modification services into LAVRI's general operating
16 account, B/A #1, in violation of Code Sections 10145, 10176(i),
17 and/or 10177(g). LAVRI reduced the amount in LAVRI's general
18 account to an amount less than the amount of the trust funds
19 deposited constituting conversion, congruent with Paragraph 9(a),
20 above.

21 Table: Conversion of Loan Modification Fees

22	<u>Borrower Name</u>	<u>Amount</u>	<u>Deposit Date</u>
23			
24	Jose Vasquez	\$2500	01/28/09
25	Raul Serrano	\$1800	03/30/09
26	Cesar Castaneda	\$1250	02/06/09
27	Carmen Corona	\$ 625	02/27/09

1	Carmen Corona	\$ 625	03/13/09
2	Elsa Escobar	\$1500	02/26/09

3

4 (d) Failed to maintain a columnar record of the

5 receipt and disbursement of trust funds handled through B/A #1

6 for each homeowner-borrower for loan modifications and for each

7 party to a mortgage loan transaction, in violation of Code

8 Section 10145 and Regulation 2831.

9 (e) Failed to maintain a separate record for each

10 beneficiary of trust funds collected from each homeowner-

11 borrower, thereby failing to account for all advance fees

12 collected for loan modification services and for mortgage loan

13 brokerage activities, in violation of Code Section 10145 and

14 Regulation 2831.1.

15 (f) Failed to perform a monthly reconciliation of the

16 balance of all separate homeowner-borrower records maintained

17 pursuant to Regulation 2831.1 with the record of all trust funds

18 received and disbursed by B/A #1, in violation of Code Section

19 10145 and Regulation 2831.2.

20 (g) Failed to place credit report fees collected from

21 borrowers into a trust account at the close of escrow in the name

22 of the broker as trustee at a bank or other financial

23 institution, in violation of Code Section 10145.

24 (h) Collected advance fees in connection with loan

25 modification activities and deposited those fees into LAVRI's

26 general account B/A #1, which was not in the name of the broker,

27 or its licensed fictitious business name, and which was not

1 designated as a trust account, in violation of Code Sections
2 10145, 10146, and 10176(e), and Regulation 2832.

3 (i) Collected advance fees within the meaning of Code
4 Section 10026 from homeowner-borrowers seeking loan modification
5 services without having first submitted Respondents' advance fee
6 agreement to the Department for review and authorization, in
7 violation of Code Section 10085 and Regulation 2970.

8 (j) Deposited trust funds in the form of collected
9 advance fees into LAVRI's general account B/A #1, for which its
10 designated officer, Respondent ARIAS was not a signatory and
11 unlicensed, unbonded non-employee Daniel Carlo Boluarte was a
12 signatory, in violation of Code Section 10145 and regulation
13 2834.

14 (k) Received trust funds in the form of advance fees
15 without maintaining and providing to the homeowner-borrowers an
16 accounting identifying the name of the agent, name of the
17 principal, services to be rendered, identification of the trust
18 fund account into which the advance fees were deposited, the
19 amount of the fee collected, the allocation of money disbursed
20 from the advance fee to cover services, commission and overhead,
21 and a list of the names and addresses of the persons to whom
22 information pertaining to the homeowner-borrower's loan
23 requirements were submitted and the dates of the submittal, all
24 in violation of Code Section 10146 and Regulation 2972.

25 (l) Allowed and compensated unlicensed individuals
26 Antonio Guzman and Daniel Boluarte, who performed real estate
27

1 activities requiring a license in connection with loan
2 modifications, in violation of Code Section 10137.

3 (m) Failed to retain a true and complete copy of a
4 Department of Real Estate approved Mortgage Loan Disclosure
5 Statement signed by the broker and borrower, and failed to
6 disclose to the borrower the yield spread premium, lender
7 rebates, DRE license number, and all fees paid to the broker in
8 connection with mortgage loan brokerage activity, all in
9 violation of Code Sections 10240 and 10236.4 and Regulation 2840;

10 (n) Used the fictitious business names "Casa D'Realty
11 Inc.," and "Casa D'Realty Corp." to conduct licensed activities
12 including a loan modification and advanced fee brokerage and
13 mortgage loan brokerage without obtaining a license from the
14 Department to conduct real estate activities under those
15 fictitious business names, in violation of Code Section 10159.5
16 and Regulation 2731.

17 (o) As to Respondent ARIAS, failed to exercise
18 adequate supervision over the activities of LAVRI to ensure
19 compliance with the Real Estate Laws, in violation of Code
20 Sections 10159.2 and 10177(h), and Regulation 2725.

21
22 Disciplinary Statutes

23 12.

24 The conduct of Respondents LAVRI and ARIAS described in
25 Paragraph 9, above, violated the Code and the Regulations as set
26 forth below:
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PARAGRAPH

PROVISIONS VIOLATED

11(a)

Code Sections 10145, 10176(i)
and/or 10177(g), and
Regulation 2832.1

11(b)

Code Sections 10145 and 10176(e)
and Regulation 2832

11(c)

Code Sections 10145, 10176(i),
and/or 10177(g)

11(d)

Code Section 10145 and
Regulation 2831

11(e)

Code Section 10145 and
Regulation 2831.1

11(f)

Code Section 10145 and
Regulation 2831.2

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11(g)

Code Section 10145

11(h)

Code Section 10145, 10146, 10176(e)
and Regulation 2832

11(i)

Code Section 10085 and
Regulation 2970

11(j)

Code Section 10145 and
Regulation 2834

11(k)

Code Section 10146 and
Regulation 2972

11(l)

Code Section 10137

11(m)

Code Section 10240 and 10236.4 and
Regulation 2840

11(n)

Code Section 10159.5 and
Regulation 2731

1 11(o)

Code Sections 10159.2 and 10177(h)
and Regulation 2725 (ARIAS)

3
4 The foregoing violations constitute cause for
5 discipline of the real estate license and license rights of
6 Respondents LAVRI and ARIAS, as aforesaid, under the provisions
7 of Code Sections 10176(e) for commingling, 10176(i) for
8 conversion of trust funds, 10177(d) for violation of the Real
9 Estate Law and/or 10177(g) for negligence.

10 SECOND CAUSE OF ACCUSATION

11 (Loan Modification Services)

12 13.

13 At all times herein relevant, all named Respondents
14 engaged in the business of an advance fee, loan modification and
15 mortgage loan brokerage within the definition of Code Sections
16 10131(d) and 10131.2.

17 14.

18 During 2008 and continuing thereafter to date,
19 Respondents solicited economically distressed homeowners facing
20 foreclosure and eviction from their homes, offered loan
21 modification services, and charged and collected advance fees.

22 15.

23 Using the name "Casa D'Realty" aka "Casa D'Realty Inc."
24 aka "Casa D'Realty Corp." Respondents offered loss mitigation and
25 loan modification services to homeowner-borrowers seeking
26 downward adjustments or payment extenuations to their home
27 mortgages. Respondents collected advanced fees from said

homeowner-borrowers without possessing a pre-approved advance fee agreement from the Department as required by Code Section 10085 and Regulation 2970. Thereafter, Respondents failed to obtain loan modifications for the borrowers tabled below:

Table: Loan Modification Services

Homeowner	Date	Status	Advance Fee
Derrick Skinner	July 15, 2008	Not obtained	\$2,500
Alfredo Villgran	August, 2008	Not obtained	\$5,000
Carmen Lujan	November 14, 2008	Not obtained	\$2,500
Victor Estin	June 22, 2009	Not obtained	\$2,500

Disciplinary Statutes

16.

In the course of the activities described above, Respondents each acted in violation of the provisions of the Code and the regulations by virtue of the following acts and/or omissions:

a. Making substantial misrepresentations to the homeowner-borrowers with respect to the status of their home loan mortgages, the likelihood that said mortgages would be modified, and the extent of such modifications, all in violation of Code Sections 10176(a) and 10176(i).

b. Making false promises of a character likely to influence, persuade or induce the tabled homeowner-borrowers to pay the advance fees in violation of Code Sections 10176(b) and

1 10176(i).

2 c. Exhibiting negligence in the performance of real
3 estate activities in violation of Code Section 10177(g).

4 d. As to Respondents GONZALEZ and BOLUARTE,
5 collecting advance fees for loan modification activities from
6 three of the tabled homeowner-borrowers listed in paragraph 15,
7 above, and receiving compensation for real estate activities,
8 prior to and/or independent of their employment with real estate
9 broker Respondent ARIAS, in violation of Code Sections 10130,
10 10131, 10137, and/or 10176(i).

11 e. As to Respondent ARIAS, failing to maintain client
12 funds in trust as alleged above, and breach of her fiduciary duty
13 to the homeowner-borrowers in violation of Code Section 10176(i).

14 f. As to Respondent ARIAS, failing to exercise
15 reasonable supervision over the activities of her corporation and
16 her employees, including Respondents GONZALEZ and BOLUARTE to
17 ensure compliance with the Real Estate Law and the Commissioner's
18 Regulations in violation of Code section 10159.2, 10177(h),
19 10177(g) and Regulation 2725.

20 17.

21 The conduct, acts and omissions of Respondents LAVRI
22 and ARIAS as set forth above, are cause for the suspension or
23 revocation of the licenses and license rights of said Respondents
24 pursuant to Code Sections 10176(a), 10176(b), 10176(i), 10177(d),
25 10177(g) and/or 10177(h) (for ARIAS).

26 ///

27 ///

18.

The conduct, acts and omissions of Respondents GONZALEZ and BOLUARTE as set forth above, are cause for the suspension or revocation of the licenses and license rights of said Respondents pursuant to Code Sections 10177(d), 10177(g), and/or 10177(j).

19.

Respondents' activities constitute a course of conduct which includes the homeowner-borrowers alleged above by way of example, but is by no means limited to those named consumers and their real property.

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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 Respondents LA
5 VALLEY REALTY INC., LILIANA ARIAS individually and as designated
6 officer of LA VALLEY REALTY INC., JUAN CARLOS GONZALEZ, and
7 CARLOS GRECO BOLUARTE, under the Real Estate Law and for such
8 other and further relief as may be proper under other applicable
9 provisions of law including restitution of advanced fees paid for
10 unearned loan modifications, and for costs of audit.

11 Dated at Los Angeles, California, January 27, 2011.

12
13 
14 Robin Trujillo
15 Deputy Real Estate Commissioner
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23 cc: LA Valley Realty Inc.
24 Liliana Arias
25 Juan Carlos Gonzalez
26 Carlos Greco Boluarte
27 Robin Trujillo
Sacto
Audits - Manijeh Khazrai