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FILED

SEP 22 2011

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)

No. H- 37548 LA

12 2000 POWER REALTY INC, as a)
13 corporation and doing business)
as Power Realty; and)
14 ISIDORO P JIMENEZ individually,)
as designated officer of 2000 Power)
15 Realty Inc., and doing business as)
Power Realty,)
16)
17)

A C C U S A T I O N

Respondents.)

18
19 The Complainant, Maria Suarez, a Deputy Real Estate
20 Commissioner of the State of California, for cause of Accusation
21 against 2000 POWER REALTY INC, as a corporation and doing
22 business as Power Realty; and ISIDORO P. JIMENEZ individually, as
23 designated officer of 2000 Power Realty Inc, and doing business
24 as Power Realty, alleges as follows:

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1.

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

2.

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

3.

At all times mentioned, Respondent 2000 POWER REALTY INC. ("2000PRI") was licensed or had license rights issued by the Department of Real Estate ("Department") as a corporate real estate broker by and through Respondent ISIDORO P. JIMENEZ ("JIMENEZ"). 2000PRI was originally licensed as a corporate real estate broker on March 21, 2006, by and through JIMENEZ as designated officer until March 10, 2011. To date, 2000PRI has no designated officer. 2000PRI registered the licensed fictitious business name "Power Realty" during the period beginning March 21, 2006, and ending June 7, 2009.

4.

Respondent JIMENEZ is licensed by the Department as a real estate broker. Respondent JIMENEZ was originally licensed as a real estate salesperson on May 31, 1985, and as a real estate broker on December 13, 1994.

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At no time were Gloria Hernandez, Denis Izaguirre, or Jesus Valenzuela licensed by the Department as real estate salespersons or brokers.

6.

At all times herein relevant, Respondents engaged in the business of, acted in the capacity of, advertised or assumed to act as real estate brokers in the State of California within the meaning of Code Sections 10131(a), 10131(d) and 10131.2. Their activities included acting for another or others in the purchase, sale, or exchange of real property. Their activities also included soliciting borrowers or lenders for and/or negotiating loans, collecting payments and/or performing services for borrowers or lenders in connection with loans secured by liens on real property. Their activities also included claiming, demanding, charging, receiving, collecting or contracting for the collection of advance fees within the meaning of Code Sections 10026 and 10085. Respondents advertised, solicited and offered to provide loan modification services to economically distressed homeowners seeking adjustments to the terms and conditions of their home loans including, but not limited to, repayment plans, forbearance plans, partial claims, and reduction in principal or interest, extenuations, foreclosure prevention and short sales.

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1 FIRST CAUSE OF ACCUSATION

2 (Audit of 2000 Power Realty Inc)

3 7.

4 On July 14, 2011, the Department completed an audit
5 examination of the books and records of 2000PRI pertaining to the
6 real estate sales, mortgage loan brokerage and the loan
7 modification activities described in Paragraph 6, above, which
8 require a real estate license. The audit examination covered a
9 period of time from March 1, 2007 to November 30, 2010. The
10 audit examination revealed numerous violations of the Code and
11 the Regulations as set forth in the following paragraphs, and
12 more fully discussed in Audit Report LA 100114 and the exhibits
13 and work papers attached to said audit report.

14 8.

15 At all times mentioned, in connection with the
16 activities described in Paragraph 6, above, 2000PRI accepted or
17 received funds including funds in trust (hereinafter "trust
18 funds") from or on behalf of actual or prospective parties,
19 including earnest money deposits from real property purchasers,
20 and advance fees from economically distressed homeowner-borrowers
21 for loan modifications handled by 2000PRI. Thereafter 2000PRI
22 made deposits and or disbursements of such trust funds. From
23 time to time herein mentioned during the audit period, said trust
24 funds were deposited and/or maintained by 2000PRI in its general
25 business bank accounts as 2000PRI did not maintain a trust
26 account during the audit period.

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1 advance fees solicited from homeowner-borrowers for loan
2 modification services into 2000PRI's general account, in
3 violation of Code Sections 10145, 10176(e) and Regulation 2832;

4 (f) Misrepresented to sellers that 2000PRI held
5 earnest money deposits for buyers Rodriguez, Vinneau, Gonzalez,
6 and Gomez when, in fact, such deposits had not been received by
7 2000PRI, in violation of Code Section 10176(a);

8 (g) Collected advance fees within the meaning of Code
9 Section 10026 from homeowner-borrowers seeking loan modification
10 services without having first submitted Respondents' advance fee
11 agreement to the Department for review and authorization, in
12 violation of Code Section 10085 and Regulation 2970;

13 (h) Failed to provide a complete description of
14 services to be rendered provided to each homeowner-borrower, an
15 identification of the trust fund account into which the advance
16 fees were deposited, and an allocation and disbursement of the
17 amount collected as the advance fee for each loan modification,
18 in violation of Code Section 10146 and Regulation 2972;

19 (i) Allowed and compensated unlicensed individuals
20 Gloria Hernandez and Denis Izaguirre, who performed real estate
21 activities requiring a license in connection with loan
22 modifications, in violation of Code Sections 10130 and 10137.

23 (j) Used the fictitious business names "Power Realty
24 Inc" and "Casablanca Real Estate Services" to conduct licensed
25 activities including a loan modification and advanced fee
26 brokerage without first obtaining a license from the Department
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1 to conduct real estate activities under those fictitious business
2 names, in violation of Code Section 10159.5 and Regulation 2731;

3 (k) Failed to retain the original license certificate
4 for real estate salesperson Alfredo Santos at the main office of
5 2000PRI, in violation of Code Section 10160 and Regulation 2753;

6 (l) Failed to timely notify the Department of the
7 employment of real estate salesperson Milton J. Bernal, in
8 violation of Code Section 10161.8, and Regulation 2752;

9 (m) Failed to retain the books, accounts, and records
10 regarding 2000PRI's loan modification activities, in violation of
11 Code Section 10148; and

12 (n) As to Respondent JIMENEZ, failed to exercise
13 adequate supervision over the activities of 2000PRI to ensure
14 compliance with the Real Estate Laws, in violation of Code
15 Sections 10159.2 and 10177(h), and Regulation 2725.

16 Disciplinary Statutes

17 10.

18 The conduct of Respondents 2000PRI and JIMENEZ
19 described in Paragraph 9, above, violated the Code and the
20 Regulations as set forth below:

21 PARAGRAPH

PROVISIONS VIOLATED

22 9 (a)

23 Code Sections 10145 and
24 Regulation 2831

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26 9 (b)

27 Code Sections 10145 and

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Regulation 2831.1

9(c) Code Sections 10145 and
Regulation 2831.2

9(d) Code Section 10145 and
Regulation 2832

9(e) Code Sections 10145, 10176(e) and
Regulation 2832

9(f) Code Section 10176(a)

9(g) Code Section 10085 and
Regulation 2970

9(h) Code Section 10146 and
Regulation 2972

9(i) Code Sections 10130 and 10137

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9(j) Code Section 10159.5 and
Regulation 2731

9(k) Code Section 10160 and
Regulation 2753

9(l) Code Sections 10161.8 and
Regulation 2752

9(m) Code Sections 10148

9(n) Code Sections 10159.2, 10177(h) and
Regulation 2725 (JIMENEZ)

The foregoing violations constitute cause for
discipline of the real estate license and license rights of
2000PRI and JIMENEZ, as aforesaid, under the provisions of Code
Sections 10176(a), 10176(e), 10177(d), 10177(g) and/or 10177(h).

SECOND CAUSE OF ACCUSATION

(Loan Modification Activities)

11.

At all times herein relevant, and as alleged above,
Respondents 2000PRI and JIMENEZ engaged in the business of a loan

1 modification and advance fee brokerage, within the definition of
2 Code Sections 10131(a), 10131(d) and 10131.2.

3 12.

4 During 2008 and continuing thereafter to date, 2000PRI
5 and JIMENEZ, both dba Power Realty, solicited economically
6 distressed homeowners facing foreclosure and eviction from their
7 homes, offered loan modification services, and charged and
8 collected advance fees.

9 13.

10 Respondents 2000PRI and JIMENEZ offered loss mitigation
11 and loan modification services to the following homeowners
12 seeking a downward adjustment or payment extenuations to their
13 home mortgages:

Borrower	Date	Amount Paid	Payee
Hector R Rodriguez	3-18-08	\$2,250	Power Realty
Omar Lerin	9-01-08	\$2,500	Power Realty
Eva Recinos Amaya	11-30-08	\$4,000	Denis Izaguirre
Adriana Estrada	11-20-08	\$2,500	Power Realty
Leonor Torres	11-01-09	\$900	"Cash"
Ery & Simona Giron	11-21-08	\$2000	Denis Izaguirre

24 Respondents 2000PRI and JIMENEZ, through the
25 instrumentality of unlicensed loss mitigation agents Gloria
26 Hernandez, Denis Izaguirre, and/or Jesus Valenzuela, solicited
27 and collected advanced fees from said homeowner-borrowers without

1 possessing a pre-approved advance fee agreement from the
2 Department. Thereafter, Respondents failed to obtain loan
3 modifications for said homeowner-borrowers.

4 Disciplinary Statutes

5 14.

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

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

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

18 c. Exhibiting negligence in the performance of real
19 estate activities in violation of Code Section 10177(g);

20 d. Allowing and compensating unlicensed persons, to
21 wit: Gloria Hernandez, Denis Izaguirre, and Jesus Valenzuela, for
22 negotiating and collecting advance fees for loan modification
23 activities from homeowner-borrowers, in violation of Code
24 Sections 10130 and 10137;

25 e. Failing to maintain client funds in trust as
26 alleged above, and breach of Respondents' fiduciary duty to the
27 homeowner-borrowers in violation of Code Section 10176(i); and

1 f. As to Respondent JIMENEZ, failing to exercise
2 reasonable supervision over the activities of 2000PRI, and over
3 his employees, to ensure compliance with the Real Estate Laws and
4 the Commissioner's Regulations in violation of Code Sections
5 10159.2, 10177(h), 10177(g) and Regulation 2725.

6 15.

7 The conduct, acts and omissions of Respondents as set
8 forth above, are cause for the suspension or revocation of the
9 licenses and license rights of said Respondents pursuant to Code
10 Sections 10176(a), 10176(b), 10176(i), 10177(d), 10177(g) and/or
11 10177(h) (for JIMENEZ).

12 16.

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

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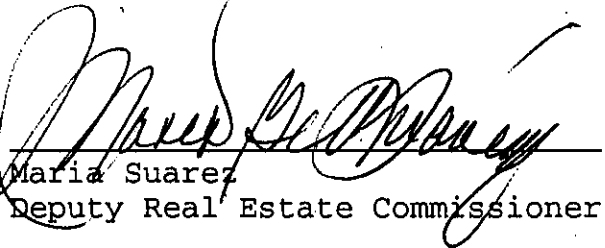
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1 WHEREFORE, Complainant prays that a hearing be
2 conducted on the allegations of this Accusation and that upon
3 proof thereof, a decision be rendered imposing disciplinary
4 action against the license and license rights of Respondents 2000
5 POWER REALTY INC. and ISIDORO P JIMENEZ, under the Real Estate
6 Law (Part 1 of Division 4 of the Business and Professions Code)
7 and for such other and further relief as may be proper under
8 other applicable provisions of law including restitution of
9 advanced fees paid for unearned loan modifications, and for costs
10 of audit.

11 Dated at Los Angeles, California, 21 September 2011.

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16 Maria Suarez
17 Deputy Real Estate Commissioner

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25 cc: 2000 Power Realty Inc.
26 Isidoro P. Jimenez
27 Maria Suarez
 Sacto
 Audits - Isabel Beltran