

**FILED**

**APR 16 2015**

**BUREAU OF REAL ESTATE**

By 

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8 **BEFORE THE BUREAU<sup>1</sup> OF REAL ESTATE**  
9 **STATE OF CALIFORNIA**

10 \* \* \*

11 In the Matter of the Accusation of ) No. H- 39810 LA  
)  
12 LETICIA ALICIA MARTINEZ, doing ) ACCUSATION  
business as Superior Realty, and )  
13 Wealth Financial Services, )  
)  
14 Respondent, )  
15 )

16 The Complainant, Veronica Kilpatrick, a Deputy Real Estate Commissioner of the  
17 State of California acting in her official capacity, for cause of Accusation against LETICIA  
18 ALICIA MARTINEZ doing business under the licensed fictitious business names of Superior  
19 Realty, and Wealth Financial Services, AKA Wealth Financial Services Inc., is informed and  
20 alleges as follows:  
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23 [This section intentionally left blank]  
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26 <sup>1</sup> Effective July 1, 2013, the California Department of Real Estate became the Department of Consumer Affairs,  
Bureau of Real Estate ("Bureau"). References in this Accusation are to the successor entity.  
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1. 1

2 The Complainant, Veronica Kilpatrick, a Deputy Real Estate Commissioner of the  
3 State of California, makes this Accusation in her official capacity.

2.

4 All references to the "Code" are to the California Business and Professions Code  
5 and all references to "Regulations" are to Title 10, Chapter 6, California Code of Regulations,  
6 unless specified otherwise, such as the California Financial Code.  
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9 License Status

3.

10 A. At all times mentioned, LETICIA ALICIA MARTINEZ ("MARTINEZ"), was  
11 licensed or had license rights issued by the Bureau of Real Estate (Bureau) as a real estate broker.  
12 MARTINEZ was originally licensed as a real estate broker on April 17, 2009, and previously as a  
13 real estate salesperson.  
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16 B. MARTINEZ is also the owner of Pixy Inc. (sometimes PI), an unlicensed  
17 entity associated with foreclosure rescue services which include actions and instrumentalities to  
18 stop, postpone, reverse foreclosure sales of her clientele.  
19

20 Ownership/Management Structure: Pixy Inc. (PI)

Name	Title	License Status	Ownership
Pixy Inc.	Corporation	Unlicensed	-
Leticia Martinez	CEO	Broker	100%
Crystal Martinez	CFO	Unlicensed	0%
Ernest Martinez	Secretary	Salesperson	0%

1 C. MARTINEZ is the owner of Wealth Financial Services Inc., (sometimes  
2 WFSI) an unlicensed entity associated with MARTINEZ' real estate sales activities both  
3 independent of and associated with foreclosure rescue services.  
4

5 D. MARTINEZ is also the owner of National Legacy Association (sometimes  
6 NLA is an unlicensed fictitious business name of MARTINEZ associated with foreclosure rescue  
7 services.  
8

9 E. Whenever reference is made in an allegation in this Accusation to an act or  
10 omission of "Respondent", such allegation shall be deemed to mean that the officers, directors,  
11 employees, agents and real estate licensees employed by or associated with MARTINEZ, Pixy  
12 Inc., Superior Realty, and Wealth Financial Services Inc. committed such act or omission while  
13 engaged in the furtherance of the business or operations of Respondent and while acting within  
14 the course and scope of their authority and employment including, but not limited to, Crystal  
15 Martinez, and Ernest Martinez, and Esteban R. Castro.

16 Brokerage

17 4.  
18

19 In the City of Fontana, County of Riverside, Respondent MARTINEZ acted as a  
20 real estate broker and conducted licensed activities within the meaning of:

21 A. Code Section 10131(a). Engaged in the business of, acted in the capacity of,  
22 advertised or assumed to act as a real estate broker, including the solicitation for listings of and  
23 the negotiation of the sale of real property as the agent of others including:  
24

25 Wealth Financial Services Inc. Through Respondent's unlicensed entity  
26 Respondent also solicited for listings and negotiated the sale of real property.  
27

1                    Pixy Inc. Through the instrumentality of Respondent's unlicensed entity,  
2 Respondent engaged in the business of delaying, postponing, stopping or reversing foreclosure  
3 sales of real property for her clientele.  
4

5                    National Legacy Association. Through the instrumentality of Respondent's  
6 unlicensed entity, Respondent engaged in the business of delaying, postponing, stopping or  
7 reversing foreclosure sales of real property for her clientele; and.

8                    B. California Financial Code Section 17006(a)(4). In addition, Respondent  
9 MARTINEZ conducted broker-controlled escrows through her escrow division under the  
10 exemption set forth in California Financial Code Section 17006(a)(4) for real estate brokers  
11 performing escrows incidental to a real estate transaction where the broker is a party and where  
12 the broker is performing acts for which a real estate license is required.  
13

14  
15                    FIRST CAUSE OF ACCUSATION  
16                    (Real Estate Audit)

17                    5.

18                    On August 23, 2013 the Bureau completed an audit examination of the books and  
19 records of MARTINEZ, pertaining to the real estate activities of her brokerage described in  
20 Paragraph 4, which require a real estate license. The audit was limited to MARTINEZ':

- 21                    (1) Trustee foreclosure sale, delay and foreclosure reversal activity;  
22                    (2) Wealth Financial Services Inc.'s (WFSI) s real estate sales activity;  
23                    (3) Pixy Inc.'s (PI) trustee sale delay/reversal activity (LA120296); and  
24                    (4) Martinez' in-house broker-controlled escrows (LA120326).  
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CalBRE ACCUSATION OF LETICIA ALICIA MARTINEZ

1 The audit examination covered a period of time beginning on January 1, 2011 and  
2 ending on May 31, 2013. The audit examination revealed violations of the Code and the Title  
3 10, Chapter 6, California Code of Regulations ("Regulations") set forth in the following  
4 paragraphs and more fully set forth in Audit Report LA 120296 & LA 120326, and the exhibits  
5 and work papers attached thereto.

6 Bank Accounts

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8 6.

9 In connection with the activities described in Paragraph 4, above, MARTINEZ  
10 accepted or received funds including funds in trust (hereinafter "trust funds") from or on behalf  
11 of actual or prospective parties to real estate transactions handled by MARTINEZ including  
12 buyers and sellers. MARTINEZ maintained the following trust account for her brokerage:  
13

14  
15 1. T/A 1

16 Account Name: Leticia A Martinez  
17 DBA Superior Realty  
18 Escrow Trust Account

19 Account No.: \*\*\*\*\*3218

20 Bank Name: Comerica Bank

21 Bank Address: 2321 Rosecrans Ave Suite 5000  
22 El Segundo, CA 90245

23 (T/A 1 trust account used for escrows during the audit period)

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2. B/A 1

Account Name: Leticia A. Martinez (REB)  
DBA National Legacy Association

Account No.: \*\*\*\*\*1834

Bank Name: Union Bank

Bank Address: 16055 Foothill Blvd.  
Fontana, CA 92335

(B/A 1 bank account for advance fees for stop/delay/reverse trustee foreclosure sale)

3. B/A 2

Account Name: Leticia Martinez  
DBA National Legacy Association

Account No.: \*\*\*\*\*1270

Bank Name: JP Morgan Chase Bank

Bank Address: 15272 Summit Ave.  
Fontana, CA 92336

(B/A 2 bank account for fraudulent 2<sup>nd</sup> payoff lien collection by National Legacy Association)

4. B/A 3

Account Name: Pixy Inc.

Account No.: \*\*\*\*\*9114

Bank Name: Wells Fargo Bank

Bank Address: 1617 Sierra Lakes Pkwy  
Fontana, CA 92336

(B/A 3 bank account for advance fees for stop/delay/reverse trustee foreclosure sale for re Pixy Inc.)

1 5. B/A 4

2 Account Name: Leticia Alicia Martinez

3 Account No.: \*\*\*\*\*7269

4 Bank Name: Union Bank

5 Bank Address: 16055 Foothill Blvd.  
6 Fontana, CA 92335

7 (B/A 4 bank account used for Leticia Martinez' personal tax services and notary services)

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9  
10 6. B/A 5

11 Account Name: Wealth Financial Services Inc.  
12 DBA Superior Realty

13 Account No.: \*\*\*\*\*1712

14 Bank Name: Bank of America

15 Bank Address: 16860 Arrow Blvd.  
16 Fontana, CA 92335

17 (B/A 5 bank account used for Leticia Martinez' general business activities and for Wealth  
18 Financial Services Inc. real estate sales)

19 Violations of the Real Estate Law

20 7.

21 In the course of activities described in Paragraphs 4 and 6, above, and during the  
22 audit examination period described in Paragraph 5, Respondent MARTINEZ acted in violation of  
23 the Code and the Regulations in which she:

24 (a)(1) Permitted, allowed or caused the disbursement of trust funds from B/A 1  
25 and BA 2, where the disbursement of funds reduced the total of aggregate funds in said bank  
26

1 accounts into which trust funds were deposited, to an amount which, on May 31, 2013, was  
2 \$36,448.88, less than the existing aggregate trust fund liability to every principal who was an  
3 owner of said funds, without first obtaining the prior written consent of the owners of said funds,  
4 in violation of Code Section 10145 and Regulation 2832.1. The \$36,448.88 combined shortage  
5 in B/A 1 and B/A 2 was due to conversion, in violation of Code Section 10176(i); and

6 (a)(2) Permitted, allowed or caused the disbursement of trust funds from B/A 3,  
7 where the disbursement of funds reduced the total of aggregate funds in said bank account into  
8 which trust funds were deposited, to an amount which, on May 31, 2013, was \$29,367.91, less  
9 than the existing aggregate trust fund liability to every principal who was an owner of said funds,  
10 without first obtaining the prior written consent of the owners of said funds, in violation of Code  
11 Section 10145 and Regulation 2832.1. The \$29,367 shortage in B/A 3 was due to conversion, in  
12 violation of Code Section 10176(i);  
13

14 (b) Failed to maintain a control record in the form of a columnar record in  
15 chronological order thereby failing to account for all trust funds received, deposited and  
16 disbursed by B/A 1, B/A 2, B/A 3, in violation of Code Section 10145 and Regulation 2831;

17 (c) Failed to maintain an adequate, accurate and complete separate record for  
18 each beneficiary or transaction, thereby failing to account for all trust funds received, deposited  
19 and disbursed by B/A 1, B/A 2, B/A 3, in violation of Code Section 10145 and Regulation  
20 2831.1;  
21

22 (d) Failed to perform a monthly reconciliation of the balance of all separate  
23 beneficiary or transaction records maintained pursuant to Regulation 2831.1 with the record of all  
24 trust funds received, deposited and disbursed by B/A 1, B/A 2, B/A 3, in violation of Code  
25  
26



1 Section 10145 and Regulation 2831.2;

2 (e) B/A 1, B/A 2, B/A 3 were not designated as a trust accounts, in violation of  
3 Code Section 10145 and Regulation 2832(a);

4 (f) Permitted Esteban R. Castro, husband of MARTINEZ, an unlicensed and  
5 unbonded person, to be an authorized signatory on B/A 3, in violation of Code Section 10145  
6 and Regulation 2834(a);

7 (g) Deposited trust funds in the form of advance fees collected from homeowners  
8 seeking to stop, postpone or reverse trustees' foreclosure sale of their residences into (1) National  
9 Legacy Associations' business bank account, and (2) into Pixy Inc.'s bank account, in violation  
10 of Code Section 10146.

11 (h) Commingled and converted trust funds in the amount of \$19,800.00, in  
12 advance fees collected from homeowners for foreclosure rescue services. MARTINEZ made  
13 unauthorized disbursements to herself in the amount of \$19,800.00 from B/A 1 into B/A 4,  
14 MARTINEZ personal tax and notary public business account, then reduced the balance in B/A 4,  
15 to an amount that was less than the amount deposited (\$19,800.00) to a balance of \$116.61, as of  
16 December 15, 2011, in violation of Code Section 10145, 10176(e), 10176(i) and 10177(g).

17 (i) Collected advance fees within the meaning of Code Section 10026 from  
18 homeowners seeking foreclosure rescue services wherein MARTINEZ failed to provide said  
19 services, with a pre-approved advance fee agreement from the Bureau in the form of a no  
20 objection letter, in violation of Code Section 10085 and Regulation 2970;

21 (j) With reference to the lack of an advance fee agreement, MARTINEZ failed to  
22 provide a complete description of foreclosure rescue services to be rendered provided to each  
23

1 homeowner in 10 point type font and, an allocation and disbursement of the amount collected as  
2 the advance fee for each homeowner seeking stop/postpone, reverse foreclosure by trustee sale,  
3 in violation of Code Section 10146 and Regulation 2972;

4 17851 Birch Street, Hesperia

5 (k) (1) Substantial Misrepresentation. MARTINEZ misrepresented to the first  
6 lien holder, Wells Fargo Bank (WFB), by representing that National Legacy Association (NLA),  
7 MARTINEZ' unlicensed fictitious business name, was the 2nd lien holder on the Birch Street  
8 property and thereon collected \$5,844.24 from WFB. Said funds were deposited into B/A 1 on  
9 April 3, 2012, in violation of Code Sections 10176(a), 10176(i); and/or 10177(j).

11  
12 405 E. Home Street, Rialto,

13 (k)(2) Misrepresented the to first lien holder, Ocwen Loan Services, LLC (OLS),  
14 by claiming that National Legacy Association (NLA), Martinez' unlicensed fictitious business  
15 name was the 2nd lien holder on the E. Home Street property and collected \$3,000.00 from OLS.

16 Said funds were deposited into B/A 2 on November 23, 2012 , in violation of  
17 Code Sections 10176(a), 10176(i) and/or 10177(h).

18  
19 Foreclosure Rescue Services: Misrepresentation/Fraud/Dishonest Dealing

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21

Property	Amount of Fraud	1st Lien Holder	2nd Lien Holder
Pixy Inc.	\$5,844.24	Wells Fargo Bank	NLA
Leticia Martinez	\$3,000	Wells Fargo Bank	OLS
Total	\$8,844.24		

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1 (l) Changed her address from 5402 Osprey Court, Fontana, California, without  
2 notification to the Bureau, in violation of Code Section 10162 and Regulation 2715.

3 (m) Used the fictitious name of "National Legacy Association" to conduct  
4 licensed activities without first obtaining from the Bureau a license bearing said fictitious  
5 business name, in violation of Code Section 10159.5 and Regulation 2731;  
6

7 (n) Conducted escrow activities at 5402 Osprey Court, Fontana, California, prior  
8 to obtaining a branch office license from the Bureau, in violation of Code Section 10163 and  
9 Regulation 2715.

10 (o) Employed or compensated Jose Garcia, who was not licensed by the Bureau as  
11 a real estate broker or as a real estate salesperson employed by a real estate broker, by  
12 MARTINEZ for performing acts for which a real estate license is required, including soliciting  
13 prospective sellers to obtain listing for real estate and short sales and for soliciting homeowners  
14 for foreclosure rescue, in violation of Code Section 10137  
15

16 (p) Failed to exercise reasonable control and supervision over the activity of her  
17 brokerage to secure full compliance with the Real Estate Law. Additionally, MARTINEZ had no  
18 system in place for regularly monitoring her compliance with the Real Estate Law particularly in  
19 regard to establishing, systems, policies and procedures to review trust fund handling especially  
20 including advance fee documentation and collections with respect to foreclosure rescue services,  
21 in violation of Code Sections 10159.2, 10177(h) and Regulation 2725; and  
22

23 (q) Wealth Financial Services Inc. engaged in the business of soliciting buyers and  
24 sellers for real estate purchases and sales, obtaining listings, and negotiating said purchases and  
25 sales, during a period when it was not, nor had ever been licensed by the Bureau, in violation of  
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CaIBRE ACCUSATION OF LETICIA ALICIA MARTINEZ

1 Code Section 10130.

2  
3 Disciplinary Statutes and Regulations

4 8.

5 The conduct of Respondent MARTINEZ, as alleged and described in Paragraph 7,  
6 above, violated the Code and the Regulations as set forth below:

7

8 <u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
9 7(a)	Code Sections 10145 and 10176(i) and Regulation 2832.1 10 (trust fund shortages)
11 7(b)	Code Section 10145 and Regulation 2831 12 (no control record)
13 7(c)	Code Section 10145 and Regulation 2831.1 14 (no separate record)
15 7(d)	Code Section 10145 and Regulation 2831.2 16 (control and separate records not reconciled)
17 7(e)	Code Section 10145 and Regulation 2832(a) 18 (bank accounts not designated as trust accounts)
19 7(f)	Code Sections 10145 and Regulation 2834(a) 20 (unlicensed/unbonded person on trust account)
21 7(g)	Code Section 10146 22 (advance fees not deposited into trust account)
23 7(h)	Code Sections 10145, 10176(e), 10176(i) and 10177(g) 24 (commingling and conversion)
25 7(i)	Code Section 10085 and Regulation 2970 26 (advance fees accounting content)
27 7(j)	Code Section 10146 and Regulation 2972 (advance fees accounting content)

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- 7(k) Code Sections 10176(a), 10176(i) and/or 10177(j)  
(substantial misrepresentation, fraud, dishonest dealing)
- 7(l) Code Section 10162 and Regulation 2715  
(BRE not notified of address of principal place of business)
- 7(m) Code Section 10159.5 and Regulation 2731  
(unlicensed fictitious business name)
- 7(n) Code Section 10163 and Regulation 2715  
(unlicensed branch office)
- 7(o) Code Section 10137  
(employed/compensated unlicensed person)
- 7(p) Code Section 10177(h) and Regulation 2725  
(lack of supervision)
- 7(q) Code Section 10130  
(unlicensed entity conducting licensed acts)

The foregoing violations constitute cause for discipline of the real estate license and license rights of Respondent MARTINEZ under the provisions of Code Sections 10130, 10137, 10165, 10176(e), 10176(i)/10177(j), 10177(d) and 10177(g).

SECOND CAUSE OF ACCUSATION  
(Negligence)

9.

The overall conduct of Respondent MARTINEZ constitutes negligence or incompetence. This conduct and violation is cause for discipline of the real estate license and license rights of Respondent pursuant to Code Section 10177(g).

[This section intentionally left blank]

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CalBRE ACCUSATION OF LETICIA ALICIA MARTINEZ

THIRD CAUSE OF ACCUSATION

(Breach of Fiduciary Duty)

10.

The conduct, acts and omissions of Respondent MARTINEZ constitutes a breach of fiduciary duty of good faith, trust, confidence and candor, within the scope of her licensed relationship, owed to the clientele of her real estate brokerage and in-house broker-controlled escrows. This conduct and violation is cause for discipline of the real estate license and license rights of Respondent MARTINEZ pursuant to Code Sections 10176(i) and/or 10177(j) for fraud and dishonest dealing, and 10177(g) for negligence.

11.

Code Section 10106 provides in pertinent part that in any order issued in resolution of a disciplinary proceeding before the Bureau of Real Estate, the Real Estate Commissioner may request the administrative law judge to direct a licensee found to have committed a violation of this part to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

12.

Code Section 10148(b) provides in pertinent part the Real Estate Commissioner shall charge a real estate broker for the cost of any audit, if the Real Estate Commissioner has found in a final decision following a disciplinary hearing that the broker has violated Code section 10145 or a regulation or rule of the Real Estate Commissioner interpreting said section.

13.

Government Code Section 11519(d) of the California Administrative Procedure Act provides, in pertinent part, that a decision rendered against a licensee may include an order of

1 restitution.

2 WHEREFORE, Complainant prays that a hearing be conducted on the allegations  
3 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary  
4 action against the license and license rights of Respondent LETICIA ALICIA MARTINEZ under  
5 the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code) and for such  
6 other and further relief as may be proper under other applicable provisions of law including, but  
7 not limited to (1) costs of investigation and enforcement, (2) costs of audit, and (3) restitution as  
8 pursuant to applicable provisions of the California Administrative Procedure Act including  
9 Government Code Section 11519(d).

10 Dated at San Diego, California

11 this April 14, 2015

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14 Deputy Real Estate Commissioner

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23 cc: Leticia Alicia Martinez  
24 Veronica Kilpatrick  
25 Audits – Dorcas Cheng  
26 Audits – Jennifer Lin  
27 Sacto

CalBRE ACCUSATION OF LETICIA ALICIA MARTINEZ