

FILED

JUL 17 2019

DEPT. OF REAL ESTATE

By John Aziz

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9 BEFORE THE DEPARTMENT OF REAL ESTATE
10 STATE OF CALIFORNIA

11 * * *

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|---------------------------------------|---|-------------------|
| 12 In the Matter of the Accusation of |) | No. H-41402 LA |
| 13 HUBERTO LEON, doing business as |) | |
| 14 Quality Real Estate; and CARLOS R. |) | <u>ACCUSATION</u> |
| 15 CARRILLO, |) | |
| 16 Respondents. |) | |

17 The Complainant, Maria Suarez, a Supervising Special Investigator of the State of
18 California, for cause of Accusation against HUBERTO LEON, doing business as Quality Real
19 Estate, and CARLOS R. CARRILLO (collectively, Respondents”), is informed and alleges as
20 follows:

21 1.

22 The Complainant, Maria Suarez, a Supervising Special Investigator of the State of
23 California, makes this Accusation in her official capacity.

24 2.

25 All references to the “Code” are to the Real Estate Law, Part 1 of Division 4 of
26 the California Business and Professions Code.

27 ACCUSATION

1 LICENSE HISTORY

2 (HUMBERTO LEON)

3 3.

4 a. Respondent HUMBERTO LEON ("LEON") is presently licensed and/or has
5 license rights under the Code as a real estate broker, Department of Real Estate ("Department")
6 license ID 01011379.

7 b. On or around December 9, 1988, the Department issued LEON a real estate
8 salesperson license.

9 c. On or around February 9, 1994, the Department issued LEON a broker license.
10 LEON's broker license is set to expire on February 8, 2022, unless renewed.

11 d. LEON currently maintains the fictitious business name "Leon Realty and
12 Associates" under his real estate broker license. From May 22, 2013, through February 9, 2015,
13 LEON maintained the fictitious business name "Quality Real Estate."

14 e. From March 15, 2016, through March 20, 2018, LEON was the designated
15 officer of Quality Real Estate Corp, Department license ID 01997520.

16 (CARLOS R. CARRILLO)

17 4.

18 a. Respondent CARLOS R. CARRILLO ("CARRILLO") is presently licensed
19 and/or has license rights under the Code as a corporate real estate salesperson, Department
20 license ID 01454833.

21 b. The Department originally issued CARRILLO a salesperson license on
22 November 6, 2004. CARRILLO's salesperson license is scheduled to expire on September 4,
23 2021, unless renewed.

24 c. From July 30, 2012, through November 5, 2012, and July 17, 2013, through
25 April 19, 2016, CARRILLO's employing broker was Respondent LEON.

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27 ACCUSATION

1 d. From April 20, 2016, through July 15, 2017, and September 5, 2017, through
2 the present, CARRILLO's employing broker has been Quality Real Estate Corp.

3 CAUSE FOR ACCUSATION

4 (FRAUD IN A CIVIL ACTION)

5 5.

6 Code section 10177.5 states:

7 "When a final judgment is obtained in a civil action against any real estate
8 licensee upon grounds of fraud, misrepresentation, or deceit with reference
9 to any transaction for which a license is required under this division, the
10 commissioner may, after hearing in accordance with the provision of this
11 part relating to hearings, suspend or revoke the license of such real estate
12 licensee."

11 6.

12 On or about September 3, 2014, in Douglas W. Froehlke, et al. v. Gladys Mejia, et
13 al., ("Froehlke Action"), Superior Court of California, County of San Bernardino, Case Number
14 CIVDS 141370, a civil action was filed against Gladys Mejia, and CARRILLO, among others,
15 for declaratory relief, cancellation of written instruments, quiet title, slander of title, and
16 damages. On or about January 14, 2015, plaintiffs in the Froehlke Action filed a First Amended
17 Complaint stating causes of action for declaratory relief, cancellation of written instruments,
18 quiet title, slander of title, damages, fraud and deceit, and conspiracy ("Froehlke Complaint").
19 Specifically, it was alleged, *inter alia*, that plaintiffs were the true and lawful owners of three
20 parcels of vacant land situated in Chino Hills, San Bernardino County, California ("subject
21 properties") and that defendants knowingly participated in a fraudulent scheme to financially
22 benefit from the sale of the subject properties.

23 7.

24 On or about February 2, 2015, defendant Gladys Mejia ("Cross-Claimant") filed
25 an Answer to the Froehlke Complaint, and concurrently filed a Cross-Complaint ("Mejia Cross-
26
27

ACCUSATION

1 Complaint”) for indemnity against CARRILLO and LEON, doing business as Quality Real
2 Estate, among others.

3 8.

4 On or about August 16, 2016, a judgment in favor of the plaintiffs was entered
5 against CARRILLO, among others, in the Froehlke Complaint. Specifically, the court found
6 CARRILLO and co-defendants guilty of fraud, malice and oppressive conduct and awarded
7 plaintiffs punitive damages in the amount of \$100,000.00.

8 9.

9 On or about August 16, 2016, a judgment in favor of the Cross-Claimant in the
10 Mejia Cross-Complaint was entered against CARRILLO and LEON, doing business as Quality
11 Real Estate, among others. Specifically, the court found CARRILLO, LEON, and co-defendants
12 guilty of fraud, malice and oppressive conduct and awarded the Cross-Claimant punitive
13 damages in the amount of \$100,000.00.

14 10.

15 The facts set forth above, in Paragraphs 6 through 9, against CARRILLO and
16 LEON constitute cause for the suspension or revocation of all licenses and licensing rights of
17 Respondents CARRILLO and LEON pursuant to Code section 10177.5 (fraud in a civil action).

18 COSTS

19 (INVESTIGATION AND ENFORCEMENT COSTS)

20 11.

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


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27 ACCUSATION

1 WHEREFORE, Complainant prays that a hearing be conducted on the allegations
2 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary
3 action against the licenses and all license rights of Respondents HUMBERTO LEON, doing
4 business as Quality Real Estate, and CARLOS R. CARRILLO under the Real Estate Law, for the
5 costs of investigation and enforcement as provided by law, and for such other and further relief
6 as may be proper under other applicable provisions of law.

7
8 Dated at Los Angeles, California this 10~~th~~ day of July, 2019.

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11 
12 Maria Suarez
13 Supervising Special Investigator
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24 cc: HUBERTO LEON
25 CARLOS R. CARRILLO
26 Quality Real Estate Corp.
27 Maria Suarez
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ACCUSATION