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FILED
JUL 25 2019
DEPT. OF REAL ESTATE
By *[Signature]*

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	No. H-41433 LA
)	
SERGIO ALVAREZ,)	<u>ACCUSATION</u>
)	
)	
Respondent.)	
_____)	

The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the State of California, for cause of Accusation against SERGIO ALVAREZ ("Respondent") alleges as follows:

1.

The Complainant, Veronica Kilpatrick, a Supervising Special Investigator 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.

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ACCUSATION

1 LICENSE HISTORY

2 3.

3 a. Respondent is presently licensed and/or has license rights under the Real
4 Estate Law, Part 1 of Division 4 of the California Business and Professions Code, as a real
5 estate salesperson ("RES"), Department of Real Estate¹ ("Department") license ID 01267403.

6 b. The Department originally issued Respondent's RES license on or about April
7 20, 2000.

8 c. Respondent's license is scheduled to expire on April 19, 2020.

9 CAUSE FOR DISCIPLINE

10 (CRIMINAL CONVICTION)

11 4.

12 July 20, 2018; Penal Code ("PC") Sections 487(a) and 186.11(a) – Felony

13 a. On April 4, 2017, in the Superior Court of California, County of San
14 Bernardino, in Case No. **16CR-040037**, The People of the State of California vs. Sergio
15 Alvarez, a felony complaint was filed against Respondent for (1) Corporation Code ("CC")
16 Section 25541 (offer/sale of security using fraudulent practices), a felony, (2) 7 counts of CC
17 Section 25401 (misrepresentation or omission in the sale of a security), felonies, (3) PC Section
18 470(d)/473(a) (forgery relating to an item exceeding \$950 in value), a felony, (4) PC Section
19 530.5(a) (identity theft), a felony, and (5) PC Section 487(a) (grand theft), a felony.

20 b. On May 18, 2018, Respondent pled no contest to and was convicted for PC
21 Section 487(a) (grand theft), a felony, with enhancement for PC Section 186.11(a) (aggravated
22 white collar crime - fraud/excessive taking of less than \$500,000).

23 c. On July 20, 2018, the Court sentenced Respondent to formal probation for 5
24 years under certain terms and conditions, including, in part, 34 days jail, payment of \$104,575
25 restitution, stay away from victims, and payment of other fine.

26
27 ¹ Between July 1, 2013 and July 1, 2018, the Department of Real Estate operated as the Bureau of Real Estate
under the Department of Consumer Affairs.

1 5.

2 The crime of which Respondent was convicted, as set forth in Paragraph 4
3 above, by its facts and circumstances, bears substantial relationship under Section 2910, Title
4 10, Chapter 6, California Code of Regulations to the qualifications, functions or duties of a real
5 estate licensee and constitutes cause under **Code Sections 490 and 10177(b)** for the suspension
6 or revocation of the license and license rights of Respondent under the Real Estate Law.

7 SECOND CAUSE FOR DISCIPLINE

8 (FAILURE TO REPORT)

9 6.

10 Respondent did not report in writing to the Department a felony complaint being
11 filed against him and/or his felony conviction within thirty (30) days: Case No. 16CR-040037 –
12 felony complaint filed April 4, 2017 and convicted on May 18, 2018.

13 7.

14 Respondent's failure to report his felony complaint and/or felony conviction
15 constitutes cause for discipline under **Code Section 10186.2²** of the license and license rights of
16 Respondent under the Real Estate Law.

17 COSTS

18 8.

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

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25 ² Pursuant to Business and Professions Code 10186.2: (a)(1) A licensee shall report any of the following to the
26 department: (A) The bringing of an indictment or information charging a felony against the licensee. (B) The
27 conviction of the licensee, including any verdict of guilty, or plea of guilty or no contest, of any felony or
misdemeanor. (c) Any disciplinary action taken by another licensing entity or authority of this state or of another
state or an agency of the federal government. (2)The report required by this subdivision shall be made in writing
within 30 days of the date of the bringing of the indictment or the charging of a felony, the conviction, or the
disciplinary action. (b) Failure to make a report required by this section shall constitute a cause for discipline.

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