

By _____

1 LAURENCE D. HAVESON, Counsel (SBN 152631)
2 Department of Real Estate
3 320 West 4th Street, Suite 350
4 Los Angeles, California 90013-1105
5 Telephone: (213) 576-6982
6 Direct: (213) 576-6854
7 Fax: (213) 576-6917
8 Email: Laurence.Haveson@dre.ca.gov
9 Attorney for Complainant

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of
ALEX RAYOS CASTRO and
CYNTHIA QUEZADA,

No. H-42419-LA

ACCUSATION

Respondents.

16 The Complainant, Maria Suarez, a Supervising Special Investigator for the
17 Department of Real Estate (“Department” or “DRE”) of the State of California, for cause of
18 Accusation against ALEX RAYOS CASTRO, also known as Alex Castro, also known as Alex R.
19 Castro (“CASTRO”), and CYNTHIA QUEZADA (“QUEZADA”), collectively “Respondents,”
20 alleges as follows:

21 1. The Complainant, Maria Suarez, acting in her official capacity as a Supervising
22 Special Investigator, makes this Accusation against Respondents.

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

LICENSE HISTORY

25
26 3. Respondent CASTRO has been licensed by the Department as a real estate broker
27 (“REB”), DRE License ID 01014086, from on or about February 16, 1989, through the present,
28 with CASTRO’s license scheduled to expire on February 15, 2025, unless renewed. CASTRO also

1 currently holds an individual Mortgage Loan Originator (“MLO”) license endorsement with the
2 Department with National Mortgage Licensing System and Registry (“NMLS”) No. 350218.
3 According to Department records to date, CASTRO: is employed as a broker associate for real
4 estate corporation (“REC”) Cabrillo Mortgage and Realty Services, DRE License ID 01264205;
5 maintains the licensed fictitious business name “Silver Wing Realty” with the Department;
6 employs 20 real estate salespersons; and maintains no branch offices.

7 4. Respondent QUEZADA has been licensed by the Department as a real estate
8 salesperson (“RES”), DRE License ID 01819131, from on or about November 28, 2007, through
9 the present, with QUEZADA’s license scheduled to expire on November 21, 2025, unless
10 renewed. According to Department records to date, QUEZADA was: employed by REC River
11 Rock Mortgage, DRE License ID 01399316, from on or about November 22, 2017, to on or about
12 September 9, 2019; licensed with no broker affiliation (“NBA”) from on or about September 10,
13 2019, to on or about August 25, 2021; and has been employed by CASTRO from on or about
14 August 26, 2021, through the present.

15 **BROKERAGE: CASTRO**

16 5. At all times mentioned, in San Diego County, California, CASTRO acted as a
17 REB, conducting licensed activities within the meaning of Code section 10131(a): selling and
18 buying real property for others. At all times mentioned, CASTRO conducted such licensed
19 activities for compensation or in expectation of compensation.

20 **AUDIT NO. SD210026**

21 6. On April 14, 2022, the Department completed an audit examination of the books
22 and records of CASTRO’s real estate activities that require a real estate broker license under Code
23 section 10131. The audit examination in Audit No. SD210026, covered the time period June 1,
24 2020 to January 31, 2022 (“audit period”). The audit was limited to CASTRO’s real estate sales
25 activities.

26 7. According to CASTRO, he closed about thirty (30) sales transactions valued at
27 about \$2.1 million during the last twelve (12) months of the audit period. According to DRE
28 licensing records, CASTRO’s main office address is located at 7710 Hazard Center Dr., Suite E

1 338, San Diego, CA 92108. According to CASTRO, this main office address is actually a Postal
2 Annex store. Postal Annex rents private mailboxes at this location using the street address 7710
3 Hazard Center Drive in San Diego.

4 8. During the audit period, CASTRO: did not collect any Earnest Money Deposits
5 (EMDs); did not maintain a trust account and did not maintain a columnar record of trust funds
6 received and not placed in broker's trust account in connection with sales activity; EMDs were
7 held and delivered directly to the escrow companies by the buyers in connection with sales
8 activities.

9 **Audit Violations in Audit No. SD210026**

10 9. The audit examinations revealed violations of the Code and the Regulations, as set
11 forth in the following paragraphs, and as more fully discussed in Audit No. SD210026 and the
12 exhibits and work papers attached to the audit report:

13 **Issue One (1). Code Section 10161.8 and Regulation 2752: Salesperson and Broker Associate**
14 **Retention and Termination; Notice of Change of Broker**

15 10. According to CASTRO, QUEZADA was employed by CASTRO during the entire
16 audit period, from June 1, 2020 to January 31, 2022. However, according to DRE licensing
17 records, QUEZADA was not affiliated or employed by CASTRO during the period from June 1,
18 2020 to August 25, 2021, and only began her employment and affiliation with CASTRO on
19 August 26, 2021. QUEZADA's license was in a non-working status from September 10, 2019, to
20 August 25, 2021, during which time her status with the DRE was "Licensed NBA." CASTRO
21 failed to notify the DRE that QUEZADA was employed by CASTRO from June 1, 2020 to
22 January 31, 2022.

23 11. CASTRO's failure to notify the DRE that QUEZADA was employed by CASTRO
24 from June 1, 2020 to January 31, 2022, was in violation of **Code section 10161.8 and Regulation**
25 **2752.**

26 ///

27 ///

28 ///

1 **Issue Two (2). Regulation 2726: Broker-Salesman Relationship Agreements**

2 12. CASTRO did not maintain written broker-salesperson relationship agreements in
3 the eleven (11) salesperson personnel files sampled by the DRE's auditor, in violation of
4 **Regulation 2726.**

5 **Issue Three (3). Code Section 10159.5 and Regulation 2731: Use of False or Fictitious Name**

6 13. CASTRO used the unlicensed fictitious business names: "River Rock Realty" and
7 "River Rock Mortgage/Real Estate" in connection with real estate sales activities during the audit
8 period without first obtaining a license from the DRE bearing the fictitious names in violation of
9 **Code Section 10159.5 and Regulation 2731.**

10 **Issue Four (4). Code Section 10162: Place of Business**

11 14. The office address located at 7710 Hazard Center Dr., Suite E 338, San Diego, CA
12 92108 was registered as CASTRO's main office as stated on his license issued by DRE. However,
13 according to CASTRO, this main office address is actually a Postal Annex store and was not his
14 actual main office location where his license is displayed and where he holds personal
15 consultations with clients. According to CASTRO, he operates his real estate business from his
16 apartment located at 330 Telegraph Canyon Road #56, Chula Vista, CA 91910.

17 15. CASTRO's conducting business, displaying his license, and/or holding personal
18 consultations with clients in a location other than the location stipulated in his real estate license as
19 issued is in violation of **Code section 10162.**

20 **Issue Five (5). Code Section 10163 and Regulation 2715: Branch Offices; Business and**
21 **Mailing Addresses of Licensees**

22 16. During the audit period, CASTRO used unlicensed branch offices located at: 1538
23 Thermal Ave., San Diego, CA 92154; 43479 Calle Nacido, Temecula, CA 92592; and 290 Landis
24 Ave. Suite C, Chula Vista, CA 91910, in connection with his real estate sales activities, without
25 first obtaining a license for these branch offices from the DRE, in violation of **Code section 10163**
26 **and Regulation 2715.**

27 ///

28 ///

1 **FIRST CAUSE OF ACCUSATION**

2 **AUDIT VIOLATIONS IN AUDIT NO. SD210026**

3 17. The Complainant realleges and incorporates by reference all of the allegations
4 contained in paragraphs 1 through 16 above, with the same force and effect as though fully set
5 forth herein.

6 18. CASTRO’s acts and/or omissions as described above in paragraphs 9 through 16
7 violated the Code and the Regulations as set forth below:

<u>Issue No.</u>	<u>Paragraphs</u>	<u>Violations</u>
1	10-11	Code section 10161.8; Regulation 2752
2	12	Regulation 2726
3	13	Code section 10159.5; Regulation 2731
4	14-15	Code section 10162
5	16	Code section 10163; Regulation 2715

8
9
10
11
12
13 19. The foregoing violations constitute cause for the suspension or revocation of
14 CASTRO’s real estate license and license rights under the provisions of **Code sections 10177(d)**
15 **and/or 10177(g)**.

16 **SECOND CAUSE OF ACCUSATION**

17 **REAL ESTATE ACTIVITIES REQUIRING A LICENSE;**

18 **UNLAWFUL RECEIPT OF COMPENSATION**

19 20. The Complainant realleges and incorporates by reference all of the allegations
20 contained in paragraphs 1 through 19 above, with the same force and effect as though fully set
21 forth herein.

22 21. QUEZADA was employed as a real estate salesperson by CASTRO during the
23 period from June 1, 2020 to January 31, 2022. However, according to DRE licensing records,
24 QUEZADA was not affiliated or employed by CASTRO during the period from June 1, 2020 to
25 August 25, 2021, and only began her employment and affiliation with CASTRO on August 26,
26 2021. QUEZADA’s license was in a non-working status from September 10, 2019, to August 25,
27 2021, during which time her status with the DRE was “Licensed NBA.”

28 ///

1 22. On or about April 27, 2020, during the time that QUEZADA was Licensed NBA,
2 QUEZADA executed a Buyer Representation Agreement with Sergio Noriega ("Buyer"), in which
3 agreement QUEZADA was listed as an agent for real estate broker Silver Wing Realty with DRE
4 license ID 01399316. Silver Wing Realty is a fictitious business name licensed to CASTRO,
5 however, DRE license ID 01399316 is assigned to REC River Rock Mortgage, and this REC
6 license expired on September 10, 2019.

7 23. On or about July 16, 2020, also during the time that QUEZADA was Licensed
8 NBA, QUEZADA executed a Residential Purchase Agreement as the agent for the Buyer's
9 Broker, Silver Wing Realty, in which the Buyer made an offer to purchase real property located at
10 652 Bahia Street, Imperial, California ("Bahia property"). The Buyer's offer for the Bahia
11 property was accepted by the seller on July 17, 2020. According to the Instructions to Pay
12 Commission for the Bahia property, dated August 25, 2020, the seller authorized the escrow
13 company to pay a selling commission of \$6,800 to Silver Wing Realty at the close of escrow.

14 24. On or about August 25, 2020, also during the time that QUEZADA was Licensed
15 NBA, CASTRO executed a Commission Disbursement Authorization, instructing the escrow
16 company to pay QUEZADA \$6,050.00, and to pay CASTRO \$750.00, as a commission on the
17 Bahia property.

18 25. According to CASTRO, QUEZADA was working for CASTRO when the sale of
19 the Bahia property was negotiated and when it closed.

20 26. QUEZADA's acts and or omissions in performing real estate activities in
21 expectation of compensation during a time period when she was Licensed NBA, including
22 entering into a Buyer's Representation Agreement, and negotiating the sale and closing of the
23 Bahia property as the agent of the Buyer, without QUEZADA having her license affiliated with a
24 licensed REB, was in violation of **Code section 10130**.

25 27. QUEZADA's acts and/or omissions in accepting a selling commission for the sale
26 of the Bahia property from CASTRO, during a time when QUEZADA was not licensed under
27 CASTRO, was in violation of **Code section 10137**.

28 ///

1 by law, and for such other and further relief as may be proper under other applicable provisions of
2 law, and for costs of audit.

3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Dated at Los Angeles, California this 14th day of November, 2022.

Maria Suarez

Maria Suarez
Supervising Special Investigator

cc: ALEX RAYOS CASTRO
CYNTHIA QUEZADA
Maria Suarez
Sacto.