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**FILED**

**APR 03 2024**

**DEPT. OF REAL ESTATE**

By 

9 BEFORE THE DEPARTMENT OF REAL ESTATE  
10 STATE OF CALIFORNIA

11 \* \* \*

12 In the Matter of the Accusation of ) No. H-42813 LA  
13 SARINANA INC, DAVID SARINANA ) )  
14 individually and as designated officer/officer of ) )  
15 Sarinana Inc, RUBEN SARINANA JR, and ) )  
16 KAREN YADIRA CASTILLO, ) )  
17 Respondents. ) )  
18 )

19 The Complainant, Jason Parson, a Supervising Special Investigator of the State  
20 of California, for cause of Accusation against SARINANA INC, DAVID SARINANA,  
21 RUBEN SARINANA JR, and KAREN YADIRA CASTILLO (collectively “Respondents”)  
22 alleges as follows:

23 1.

24 The Complainant, Jason Parson, a Supervising Special Investigator of the State  
25 of California, makes this Accusation in his official capacity.

26 2.

27 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 (SARINANA INC)

4 (a) Respondent SARINANA INC (“SI”) is presently licensed and/or has license  
5 rights under the Real Estate Law, Part 1 of Division 4 of the California Business and  
6 Professions Code, as a real estate corporation (“REC”), Department of Real Estate<sup>1</sup>  
7 (“Department”) license ID 01206776.

8 (b) The Department originally issued SI’s REC license on or about May 24,  
9 1996.

10 (c) SI’s REC license is scheduled to expire on May 23, 2024, unless renewed.

11 (d) According to the Department’s records, SI has 110 salespersons associated  
12 with its license.

13 (e) According to the Department’s records, SI maintains the authorized fictitious  
14 business name “Century 21 A Better Service Realty”.

15 4.

16 (DAVID SARINANA)

17 (a) Respondent DAVID SARINANA (“DAVID”) is presently licensed and/or  
18 has license rights under the Real Estate Law, Part 1 of Division 4 of the California Business  
19 and Professions Code, as a real estate broker (“REB”), Department license ID 00760251.

20 (b) The Department originally issued DAVID’s REB license on or about March  
21 23, 1984.

22 (c) DAVID’s REB license is scheduled to expire on March 14, 2026, unless  
23 renewed.

24 (d) According to the Department’s records, DAVID was the designated officer  
25 of SI from approximately August 20, 2014 to present.

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<sup>1</sup> 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 (RUBEN SARINANA JR)

3 (a) Respondent RUBEN SARINANA JR (“RUBEN”) is presently licensed  
4 and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the California  
5 Business and Professions Code, as a real estate salesperson (“RES”), Department license ID  
6 01016100.

7 (b) The Department originally issued RUBEN’s RES license on or about  
8 February 7, 1989.

9 (c) RUBEN’s RES license is scheduled to expire on October 10, 2025, unless  
10 renewed.

11 (d) According to the Department’s records, SI has been, and is, RUBEN’s  
12 responsible broker since February 11, 1997.

13 6.

14 (KAREN YADIRA CASTILLO)

15 (a) Respondent KAREN YADIRA CASTILLO (“CASTILLO”) is presently  
16 licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the  
17 California Business and Professions Code, as a RES, Department license ID 02039552.

18 (b) The Department originally issued CASTILLO’s RES license on or about  
19 February 2, 2018.

20 (c) CASTILLO’s RES license is scheduled to expire on February 1, 2026, unless  
21 renewed.

22 (d) According to the Department’s records, CASTILLO’s responsible broker  
23 was SI from February 16, 2018 to December 14, 2020. CASTILLO’s responsible broker was R  
24 M E G Realty Incorporated from December 15, 2020 to April 4, 2021. CASTILLO’s  
25 responsible broker was, and presently is, MAXRES Inc since April 5, 2021.

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1 (PRIOR DISCIPLINE)

2 7.

3 On or about August 1, 2005, in case no. H-31548 LA, a Stipulation and  
4 Agreement was entered into between the Department and Respondents SI and DAVID,  
5 effective September 9, 2005, issuing suspensions of 90 days (30 days stayed for penalties and  
6 60 days stayed for 2 years) for violation of the following: for SI -Code Sections 10145 and  
7 10161.8 as well as Regulations 2832.1, 2835, 2831, 2831.1, 2834, 2726, 2753, and 2951; for  
8 DAVID – Code Sections 10145, 10159.2, 10161.8, 10177(d), and 10177(h) as well as  
9 Regulations 2832.1, 2831, 2831.1, 2834, 2726, and 2753.

10 8.

11 On or about October 5, 2018, in case no. H-40847 LA, a Stipulation and  
12 Agreement was entered into between the Department and Respondents SI AND DAVID,  
13 effective October 30, 2018, issuing suspensions of 30 days (stayed for 2 years) for violation of  
14 the following: for SI -Code Sections 10159.2 as well as Regulations 2725; for DAVID – Code  
15 Sections 10159.2 and 10177(h) as well as Regulations 2725.

16 9.

17 On or about April 12, 2021, in case no. H-41659 LA, a Stipulation and  
18 Agreement was entered into between the Department and Respondents SI AND DAVID,  
19 effective May 20, 2021, issuing suspensions of 90 days (30 days stayed for penalties and 60  
20 days stayed for 2 years) for violation of the following: for SI -Code Sections 10177(g) and  
21 10177(h) as well as Regulations 2725; for DAVID – Code Sections 10159.2, 10177(g) and  
22 10177(h) as well as Regulations 2725.

23 LICENSED ACTIVITIES

24 10.

25 At all times mentioned herein, Respondents engaged in the performance of  
26 activities requiring a real estate license pursuant to Code Section 10130.

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1 FACTS DISCOVERED BY THE DEPARTMENT

2 11.

3 On or about September 30, 2020, Respondents entered into a Residential Listing  
4 Agreement (C.A.R. Form RLA, Revised 6/20) (“RLA”) with Seller Evelyn P. (“Seller”) for the  
5 sale of the property located at 322 S Locust Ave in Los Angeles County (“Property”).  
6 CASTILLO signed on behalf of Century 21 A Better Service Realty (License No. 01206776).

7 12.

8 On or about March 10, 2021, Seller executed a Residential Purchase Agreement  
9 (C.A.R. Form RPA-CA, Revised 12/18) (“RPA”) for the sale of the Property. CASTILLO  
10 signed on behalf of Century 21 A Better Service Realty (License No. 01206776).

11 13.

12 On or about April 21, 2021, Seller sought to cancel the sale of the Property.

13 14.

14 On or about April 22, 2021, RUBEN became involved with the transaction for  
15 the sale of the Property.

16 15.

17 Thereafter, an action was brought against Seller for the sale of the Property. On  
18 or about May 6, 2021, a Lis Pendens was filed against the Property.

19 16.

20 On or about June 27, 2022, escrow on the Property closed.

21 17.

22 Thereafter, CASTILLO was paid by SI for the sale of the Property, her  
23 commission in the amount of \$9,738.08.

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1                                    APPLICABLE SECTIONS OF THE REAL ESTATE LAW

2                                    Code Section 10137

3                                    18.

4                                    Pursuant to Code Section 10137 “It is unlawful for any licensed real estate  
5 broker to retain, compensate, directly or indirectly, any person for performing any of the acts  
6 within the scope of this chapter who is not a licensed real estate broker, or a real estate  
7 salesperson licensed under the responsible broker retaining or compensating him or her, or to  
8 retain or compensate, directly or indirectly, any licensee for engaging in any activity for which  
9 a mortgage loan originator license endorsement is required, if that licensee does not hold a  
10 mortgage loan originator license endorsement; provided, however, that a licensed real estate  
11 broker may pay a commission to a broker of another state.

12                                    No real estate salesperson shall accept compensation for activity requiring a real  
13 estate license from any person other than the broker under whom he or she is at the time  
14 licensed.

15                                    It is unlawful for any licensed real estate salesperson to pay any compensation  
16 for performing any of the acts within the scope of this chapter to any real estate licensee except  
17 through the broker under whom he or she is at the time licensed. A licensee may enter into an  
18 agreement with another licensee to share that compensation provided that any compensation is  
19 paid through the responsible broker.”

20                                    Further Grounds for Disciplinary Action – Code Section 10177

21                                    19.

22                                    Pursuant to Code Section 10177, “The commissioner may suspend or revoke the  
23 license of a real estate licensee, delay the renewal of a license of a real estate licensee, or deny  
24 the issuance of a license to an applicant, who has done any of the following:

25                                    . . .

26                                    (d) Willfully disregarded or violated the Real Estate Law (Part 1 (commencing  
27 with Section 10000)) or Chapter 1 (commencing with Section 11000) of Part 2 or the rules and

1 regulations of the commissioner for the administration and enforcement of the Real Estate Law  
2 and Chapter 1 (commencing with Section 11000) of Part 2.

3 . . .  
4 (g) Demonstrated negligence or incompetence in performing an act for which he  
5 or she is required to hold a license.

6 (h) As a broker licensee, failed to exercise reasonable supervision over the  
7 activities of that licensee's salespersons, or, as the officer designated by a corporate broker  
8 licensee, failed to exercise reasonable supervision and control of the activities of the  
9 corporation for which a real estate license is required. . .”

10 VIOLATIONS OF THE REAL ESTATE LAW – CAUSES FOR DISCIPLINE

11 20.

12 In the course of the activities described above in Paragraph 10, and based on the  
13 facts discovered by the Department in Paragraphs 11 through 17, above, Respondents acted in  
14 violation of the Code and Regulations, as described below.

15 21.

16 After December 14, 2020, CASTILLO’s responsible broker was not SI.  
17 However, CASTILLO acted as a salesperson under SI. CASTILLO was also compensated by  
18 SI for the sale of the Property, without an agreement with RUBEN, in violation of **Code**  
19 **Sections 10137 and 10177(d) and (g)**.

20 22.

21 Respondent DAVID failed to exercise adequate supervision and control over the  
22 mortgage loan activities conducted by his employees and provide established policies, rules,  
23 procedures, and systems to review, oversee, inspect, and manage transactions requiring a real  
24 estate license in violation of **Code Section 10177(h) and Regulations 2725**.

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1 Additional Violations of the Real Estate Law

2 23.

3 The overall conduct of Respondent violates the Real Estate Law and constitutes  
4 cause for the suspension or revocation of their real estate license and license rights under the  
5 provisions of Code Section 10177(g) for negligence and Code Section 10177(d) for willful  
6 disregard of the Real Estate Law.

7 COSTS

8 24.

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

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PRAYER

WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against all licenses and/or license rights under the Real Estate Law (Part 1 of Division 4 of the California Business and Professions Code) of Respondents SARINANA INC, DAVID SARINANA, RUBEN SARINANA JR, and KAREN YADIRA CASTILLO, for the cost of investigation and enforcement as permitted by law, and for such other and further relief as may be proper under applicable provisions of law.

Dated at Los Angeles, California this 3rd day of A p r i l, 2024.

 for Jason Parson  
\_\_\_\_\_  
Jason Parson  
Supervising Special Investigator

cc: SARINANA INC  
DAVID SARINANA  
RUBEN SARINANA JR  
KAREN YADIRA CASTILLO  
Jason Parson  
Sacto.