

Julie L. To, Counsel (SBN 219482)
Department of Real Estate
320 West 4th Street, Suite 350
Los Angeles, California 90013
(212) 559-5990 (office)
(213) 443-9264 (direct)
julie.to@dre.ca.gov
Department of Real Estate Counsel

FILED
SEP 15 2026
DEPT. OF REAL ESTATE
By *Zoe Jan*

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation against	)	No. H-43246 LA
	)	
KAREN YADIRA CASTILLO	)	<u>ACCUSATION</u>
	)	
and	)	
	)	
MAXRES INC,	)	
	)	
Respondents.	)	

The Complainant, Ray Dagnino, a Supervising Special Investigator of the State of California, makes this Accusation in her official capacity, and for cause of Accusation against KAREN YADIRA CASTILLO (CASTILLO) and MAXRES INC (MAXRES) (hereinafter, collectively, "Respondents") is informed and alleges as follows:

1.

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.

///

DRE Accusation against Karen Yadira Castillo and MAXRES Inc, H-43246 LA

1 **DRE LICENSE HISTORY**

2 **CASTILLO**

3 2.

4 According to Department of Real Estate (DRE) records to date and publicly
5 accessible online (https://www2.dre.ca.gov/PublicASP/pplinfo.asp?License_id=02039552),
6 CASTILLO is presently licensed and/or has license rights under the Real Estate Law as a real
7 estate salesperson (RES), DRE license ID 02039552. CASTILLO was originally licensed by the
8 DRE on or about February 2, 2018. CASTILLO's mailing address of record is 13317 Crocker St.,
9 Los Angeles, CA 90061 and her DRE license is presently affiliated with responsible real estate
10 broker (REB) MAXRES INC.

11 3.

12 According to DRE records to date and publicly accessible at the aforementioned
13 DRE webpage described above in Paragraph 2, CASTILLO's DRE license includes disciplinary
14 action in DRE Accusation Case H-42813 LA (filed April 3, 2024) for violations of Code Sections
15 10137 and 1077(d) and 10177(g). On or about January 15, 2025, pursuant to the Stipulation and
16 Agreement in Settlement in H-42813 LA, CASTILLO's RES license was suspended for 30 days,
17 stayed for two (2) years, subject to the conditions that: she shall obey all laws, rules and regulations
18 governing the rights, duties and responsibilities of a real estate licensee in California; that no final
19 subsequent determination be made, after hearing or upon stipulation, that cause for disciplinary
20 action occurred within two (2) years from the effective date of said Stipulation; and she, along
21 with the other named Respondents in Case H-42813 LA, pays the Commissioner's reasonable cost
22 of the investigation and enforcement which led to the disciplinary action.

23 ///

24 ///

25 ///

26 DRE Accusation against Karen Yadira Castillo and MAXRES Inc, H-43246 LA
27

1 4.

2 According to DRE records to date and publicly accessible online at the
3 aforementioned DRE webpage described above in Paragraph 2, CASTILLO's license will expire
4 on February 1, 2030. Upon license expiration and pursuant to Code Section 10201, CASTILLO
5 retains renewal rights, and pursuant to Code Section 10103, the DRE retains jurisdiction.

6 **MAXRES**

7 5.

8 According to DRE records to date and publicly accessible online
9 (https://www2.dre.ca.gov/PublicASP/ppinfo.asp?License_id=01280965), MAXRES is presently
10 licensed and/or has license rights under the Real Estate Law as a real estate corporation (REC),
11 DRE license ID 01280965. MAXRES was originally licensed by the DRE on or about May 19,
12 2000. MAXRES' mailing address of record is 9155 Telegraph Rd., Pico Rivera, CA 90660, and
13 its license is presently affiliated with REB Joseph Zavala Villaescusa (DRE license ID 01945442)
14 (Villaescusa) as its designated officer of record (D.O.). The immediate past D.O. was REB Alvaro
15 Alberto Bautista (DRE license ID 01318794) (Bautista) whose officer license expired on April 20,
16 2026; the D.O. immediately prior to Bautista was Joseph Garcia Villaescusa (DRE license ID
17 00948172), whose officer license expired on May 18, 2024.

18 6.

19 According to DRE records to date and publicly accessible at the aforementioned
20 DRE webpage described above in Paragraph 5, MAXRES' DRE license is also presently affiliated
21 with two (2) active DBAs, for Century 21 Allstars (active as of May 19, 2000) and Century 21
22 Allstars Escrow Division (active as of November 9, 2016), and two (2) branch offices, in
23 Victorville, California, and in Ontario, California. MAXRES' license is also presently affiliated
24 with sixteen (16) broker associates and 387 RES, including CASTILLO

25 7.

26 DRE Accusation against Karen Yadira Castillo and MAXRES Inc, H-43246 LA
27

1 According to DRE records to date and publicly accessible at the aforementioned DRE webpage
2 described in Paragraph 5, MAXRES' DRE license includes disciplinary action in DRE Accusation
3 Case H-426746 LA (filed August 6, 1996, amended April 9, 1997 to add Century 21 Allstars as a
4 Respondent) for violation of Code Section 10137. On or about March 24, 1998, pursuant to the
5 Decision After Rejection in H-26746 LA, MAXRES' DRE license was suspended for 90 days,
6 stayed upon condition that MAXRES pay to the DRE's Recovery Account, \$50.00 per day or a
7 total of \$4,500.00 prior to the effective date of said Decision After Rejection.

8 7.

9 According to DRE records to date and publicly accessible online at the
10 aforementioned DRE webpage described above in Paragraph 5, MAXRES' license will expire on
11 April 20, 2030. Upon license expiration and pursuant to Code Section 10201, MAXRES retains
12 renewal rights, and pursuant to Code Section 10103, the DRE retains jurisdiction.

13 ///

14 ///

15 ///

16 ///

17 ///

18 ///

19 ///

20 ///

21 ///

22 ///

23 ///

24 ///

25 ///

26 DRE Accusation against Karen Yadira Castillo and MAXRES Inc, H-43246 LA
27

1 **FACTS DISCOVERED BY THE DEPARTMENT**

2 8.

3 At all times mentioned, in the State of California, CASTILLO and MAXRES-
4 conducted licensed activities within the meaning of Code Section 10131¹ and performed real
5 estate activities, which require a real estate license.

6 9.

7 **12-28-23 Consumer Complaint to the DRE**

8 On or about December 28, 2023, Michael W. (Consumer) filed a complaint with
9 the Department against CASTILLO (122823 Complaint). The 122823 Complaint alleged,
10 “Owner entered into a contract with Tim Barnett of Flipartners, LLC. Unknown to the owner
11 Tim Barnett had purchased a previous property belonging to the owner under the guise of Tim
12 Barnetts wife, Kim Barnett’s company (Redemption Realty LC). Karen Yadira Castillo has
13 aided and abetted a convicted felon. Tim Barnett was imprisoned for the same petitory practice
14 he is being enabled by Karen Yadira Castillo to engage in now....has been contacted on
15 numerous occasions, informing her of Tim Barnett’s background and to cease and desist, as there
16 are currently two (2) lis pendens for the property...after being informed that Karen Yadira
17 Castillo had place [sic] for sale on the property...”

18
19

20 ¹ Pursuant to Code Section 10131 *Broker Defined*, “A real estate broker within this meaning of this part is a person
21 who, for a compensation or in expectation of a compensation, regardless of the form or time of payment, does or
22 negotiates to do one or more of the following acts for another or others: (a) Sells or offers to sell, buys or offers to
23 buy, solicits prospective sellers or purchasers of, solicits or obtains listings of, or negotiates the purchase, sale or
24 exchange of real property or a business opportunity. (b) Leases or rents or offers to lease or rent, or places for rent,
25 or solicits listings of places for rent, or solicits for prospective tenants, or negotiates the sale, purchase or exchanges
26 of leases on real property, or on a business opportunity, or collects rents from real property, or improvements
thereon, or from business opportunities. (c) Assists or offers to assist in filing an application for the purchase or
lease of, or in locating or entering upon, lands owned by the state or federal government. (d) Solicits borrowers or
lenders for or negotiates loans or collects payments or performs services for borrowers or lenders or note owners in
connection with loans secured directly or collaterally by liens on real property or on a business opportunity. (e) Sells
or offers to sell, buys or offers to buy, or exchanges or offers to exchange a real property sales contract, or a
promissory note secured directly or collaterally by a lien on real property or on a business opportunity, and performs
services for the holders thereof.”

27 DRE Accusation against Karen Yadira Castillo and MAXRES Inc, H-43246 LA

10.

Attached to Consumer's 122823 Complaint is a copy of a "Just Listed" announcement mailer for the subject property addressed to "Fatherree Robinson Properties Llc & Michael W., #### Green Oaks Blvd Ste ###, Arlington, TX 76016-6800" from CASTILLO, which included a telephone number, an email address, a web address, and a Century 21 Allstars identifier.

11.

03-14-24 DRE Telephone Interview with Consumer

On March 14, 2024, the assigned DRE Special Investigator (SI) interviewed Consumer via telephone. According to Consumer, the property referenced in his 122823 Complaint (subject property) is his childhood home, that Elaine and Sam R. are his parents, and that he is the property manager for the remainder of his parents' properties. According to Consumer, his mother has dementia, beginning in January 2023.

12.

According to Consumer, beginning in 2023, ownership of the subject property became clouded. Around February 2023, the owners (his parents, Elaine F. and Sam R.) sold an interest in said property to an entity called Flipartner LLC (FL). In July 2023, FL sued Consumer and his parents in a quiet title action. In August 2023, Consumer vested title to the subject property into an entity he controls called Fatherree Robinson Properties LLC. Consumer also recorded a *lis pendens*¹ against the property in order to halt FL's attempt to sell it.

///

¹ Per <https://dictionary.nolo.com/lis-pendens-term.html>, "(lease pen-denz) (1) Latin for "a suit pending." The term may refer to any pending lawsuit. (2) A written notice that a lawsuit has been filed concerning real estate, involving either the title to the property or a claimed ownership interest in it. The notice is usually filed in the county land records office. Recording a lis pendens alerts a potential purchaser or lender that the property's title is in question, which makes the property less attractive to a buyer or lender. After the notice is filed, anyone who nevertheless purchases the land or property described in the notice takes it subject to the ultimate decision of the lawsuit.

13.

10-02-25 DRE Telephone Interview with Consumer

On October 2, 2025, the assigned DRE SI interviewed Consumer via telephone again. According to Consumer, FL (Tim Barnett) and CASTILLO sold the subject property despite the *lis pendens*. However, according to Consumer, Tim Barnett (Barnett) had previously taken a loan against the subject property, which was foreclosed when Barnett failed to make payments. Although Consumer filed bankruptcy in an attempt to stop the foreclosure, Barnett sold the property. According to Consumer, he had called CASTILLO directly regarding disputes surrounding ownership of the subject property. In the same conversation, Consumer informed the DRE SI that there was a 2021 loan against the subject property, which appeared on the Notice of Trustee Sale as an unpaid balance of \$89,5000 with Consumer doing business as Featheree LLC. Consumer believed that over \$89,000 of the proceeds from the sale of the subject property should have gone to Consumer's parents.

14.

Flipartner LLC

According to certified records from the California Secretary of State (SOS) (certified on or about December 23, 2025), Flipartner LLC (SOS No. 202253912948) filed its Articles of Organization (Articles) on December 24, 2022 and is a limited liability company with a principal office and mailing address at 3111 N. Tustin St., Ste. 230, Orange, CA 92865 (Tustin St. address) with "California Registered Corporate Agent (1505)" of United States Corporation Agents, Inc. as its agent for service of process. Said Articles were signed by Cheyenne Moseley, Assistant Secretary of Leaglzoom.com, Inc.

///

///

///

DRE Accusation against Karen Yadira Castillo and MAXRES Inc, H-43246 LA

15.

According to the certified documents described above in Paragraph 14, FL filed its Statement of Information on February 21, 2024 (022124 SI), and FL's principal office, mailing, and street address of record is 751 S. Weir Canyon Rd 151, Anaheim Hills, CA 92808 (Weir Canyon address). Said 022124 SI also listed Barnett as the Chief Executive Officer (CEO) and as a Member twice, with both the Tustin St. and Weir Canyon addresses. Said 022124 SI was signed by Kimberly Barnett.

16.

According to the certified documents described above in Paragraph 14, FL filed another Statement of Information filed on December 19, 2024 (121924 SI), and FL's principal office, mailing, and street address of record remained the Weir Canyon address. Said 121924 SI listed Barnett as the CEO and listed Barnett and Flipartner, LLC as Members with the same Weir Canyon addresses. Said 121924 SI was signed by Barnett.

17.

Los Angeles County Case No. 23STCV17938

According to certified documents from the Superior Court of the State of California, Los Angeles County (certified on December 30, 2025), Case No. 23STCV17938, Flipartner, LLC, a California Limited Liability Company v. Elaine R.; Sam R., Michael W./Consumer; all persons unknown, claiming any legal or equitable interest in the property described in the complaint adverse to Plaintiff's title, or any cloud on Plaintiff's title thereto and DOES 1 through 10, inclusive was filed on July 31, 2023 for: 1. Declaratory Relief and 2. Quiet Title.

///

///

///

DRE Accusation against Karen Yadira Castillo and MAXRES Inc, H-43246 LA

18.

According to the certified documents described above in Paragraph 17, on January 21, 2025, in the same case, Consumer filed a Verified Cross-Complaint against Tim Barnett, Kimberly Barnett, Flipartners, LLC, and Does 1 through 100, inclusive for:

1. Elder Abuse;
2. Unfair Business Practices;
3. Unjust Enrichment;
4. Constructive Fraud;
5. Restitution;
6. Breach of Implied Contract;
7. Breach of Covenant of Good Faith and Fair Dealing; and
8. Tort of Another.

19.

According to the certified documents described above in Paragraph 17, on January 21, 2025, in the same case, Elaine R. and Sam R., by and through their guardian ad litem, Michael W./Consumer, filed a Verified Cross-Complaint against Tim Barnett, Kimberly Barnett, Flipartners, LLC, Rodney Johnson, Danielle Enterprises, Inc., Jennifer Wright, Netco Title Company, and Does 1 through 100, inclusive for:

1. Breach of Contract;
2. Breach of Covenant of Good Faith and Fair Dealing;
3. Fraud – Intentional Misrepresentation;
4. Fraud – Negligent Misrepresentation;
5. Unfair Competition;
6. Conversion;
7. Constructive Trust;

DRE Accusation against Karen Yadira Castillo and MAXRES Inc, H-43246 LA

8. Quiet Title;
9. Violation of Penal Code Section 496;
10. Rescission;
11. Cancellation of Written Instrument;
12. Financial Elder Abuse;
13. Violation of Cal. Welf. And Inst. Code Section 15610.30;
14. Breach of Fiduciary Duty;
15. Professional Negligence; and
16. Tort of Another.

20.

According to the certified documents described above in Paragraph 17, on September 18, 2025, in the same case, Plaintiff Flipartner, LLC filed a Request for Dismissal with prejudice.

21.

According to the certified documents described above in Paragraph 17, on September 12, 2025, in the same case, Defendant and Cross-Complainant Michael W./Consumer filed a Request for Dismissal with prejudice.

22.

MAXRES Transaction Documents for Subject Property

On or about February 22, 2024, the DRE SI sent a Code Section 10148 request to MAXRES to the attention of D.O. Villaescusa for all documents relating to its listing of the subject property by its listing agent (CASTILLO) (022224 DRE letter). The 022224 DRE letter requested that MAXRES provide certain items, including, but not limited to: listing agreements, purchase contracts, disclosures and transfer disclosure statements by parties to the transaction, and copies of all communications between the parties to the transaction.

DRE Accusation against Karen Yadira Castillo and MAXRES Inc, H-43246 LA

23.

On or about October 2, 2025, the DRE SI sent another, similar letter to MAXRES to the attention of D.O. Villaescusa (100225 DRE letter). The 100225 DRE letter augmented the 022224 DRE letter and added the following questions:

- “1. During Castillo’s listing period, how many times did the subject property enter escrow with a buyer, including sales that were later cancelled?
2. Please explain the reason(s) for each time the subject property’s escrow was cancelled.
3. During Castillo’s listing period, was there a dispute regarding the subject property’s ownership? If yes, then please provide details.
4. Michael W., a representative of Fatherree-Robinson Properties, LLC, notified Castillo about the LLC’s ownership of the subject property. Please provide details about Castillo’s response to Whitaker or her communications with parties related to the LLC.”

24.

Between March 7, 2024 and March 8, 2024, and on October 17, 2025, the DRE SI received from MAXRES the transaction files related to the subject property and an undated, unsigned letter from CASTILLO.

25.

According to the transaction documents produced by MAXRES, as described above in Paragraph 24, a Residential Listing Agreement (RLA) dated October 30, 2023 was signed between Barnett (for Seller FL) and CASTILLO (for Broker Century 21 Allstars) to sell the subject property beginning November 17, 2023 and ending March 22, 2024 at a listing price of \$679,999 (103023 RLA). MAXRES also produced a subsequent RLA for the subject property

DRE Accusation against Karen Yadira Castillo and MAXRES Inc, H-43246 LA

1 dated November 16, 2024, signed by Barnett for FL and Respondent for Century 21 Allstars, for
2 the listing period beginning November 16, 2024 and ending September 26, 2025, at a listing
3 price of \$679,999 (111624 RLA).

4 26.

5 According to the undated letter from Respondent that was included in the
6 documents produced by MAXRES as described above in Paragraph 24, CASTILLO addressed
7 the questions described above in Paragraph 23 with the following information:

8 1. Escrow was opened three (3) times for the subject property, with
9 two later cancelled “due to issues identified in the buyer’s physical inspection
10 report.”

11 2. (CASTILLO attached copies of email correspondence dated
12 February 28, 2024 from the buyer’s agent confirming cancellation and an
13 executed Cancellation Form dated and signed by the buyer on February 27,
14 2024. CASTILLO also attached a copy of an email dated March 17, 2025
15 from [another] buyer’s agent regarding the home inspection report and
16 cancellation, with an executed Cancellation Form dated and signed by the
17 buyer on March 15, 2025.)

18 3. “At one point, there was a **lien on the property**, and the property
19 was taken off the market while litigation was ongoing. The seller retained
20 legal counsel during that process.” (CASTILLO included in the body of the
21 letter the contact information of the referenced attorney.)

22 4. “At the time of the phone call regarding this transaction, I
23 confirmed with escrow that we had **clear title**...Since escrow confirmed the
24 title was clear and no issues were reflected in the title report, I proceeded with
25 the transaction accordingly.”

26 DRE Accusation against Karen Yadira Castillo and MAXRES Inc, H-43246 LA
27

27.

February 8, 2024 Offer

(Transaction A)

Included in the transaction documents produced by MAXRES Inc, as described above in Paragraph 24, is a Residential Purchase Agreement (RPA) dated February 6, 2024 (020624 offer) for the subject property from Buyers Rudy S., Ericka F, and Olivia S. and accepted by Flipartner LLC (Seller) on February 8, 2024 (Transaction A). MAXRES did not provide to the DRE the complete transaction file for the 020624 offer, including, but not limited to documents such as the Seller Property Questionnaire (SPQ), Transfer Disclosure Statement (TDS), or Agent Visual Inspection Disclosure (AVID).

28.

Also included in the transaction documents produced by MAXRES Inc, as described above in Paragraph 24, is a title report for the subject property. During the pendency of Transaction A, WFG National Title Company issued a 23-page Preliminary Title Report dated February 6, 2024 (020624 PTR) for the subject property.

29.

According to page 1 of the 020624 PTR "Title to said estate...is vested in: Flipartner, LLC, a California Limited Liability Company, subject to item(s) 7 and 8." Beginning at page 3 of the 020624 PTR, is a list of policy exceptions and exclusions. Specifically, "At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows: ...8. A pending court action as disclosed by a recorded notice:

Plaintiff: Flipartner, LLC, a California Limited Liability Company

Defendant: Elaine R.; Sam R.; Michael W., et al

County: Los Angeles

Court: Superior Court of the State of California for the County of Los

DRE Accusation against Karen Yadira Castillo and MAXRES Inc, H-43246 LA

1 Angeles

2 Case No.: 23STCV17938

3 Nature of Action: affects title to specific real property

4 Recorded: January 19, 2024

5 Instrument No.: 20240041848.

6 30.

7 February 20, 2024 Offer

8 (Transaction B)

9 On or about November 10, 2025, the DRE SI sent a Code Section 10148 request
10 letter to REB John Pierre Ashou (Ashou) for copies of all documents in the transaction file for
11 the subject property in which his affiliated RES James Duarte (Duarte) represented the Buyer
12 (111025 DRE letter). On November 12, 2025, the DRE SI received transaction file documents
13 pursuant to the 111025 DRE letter.

14 31.

15 Included in the transaction documents produced by Ashou, as described above in
16 Paragraph 30, is a Residential Purchase Agreement (RPA) dated February 19, 2024 (021924
17 offer) for the subject property from Buyer Jaalin R.(Transaction B).

18 32.

19 According to the transaction documents provided by MAXRES, as described
20 above in Paragraph 24, on February 28, 2024, Duarte submitted via email to Respondent a
21 Cancellation of Contract, Release of Deposit and Cancellation of Escrow signed by Buyer on
22 February 27, 2024; in the body of the email, Respondent indicated, "Attached you will find the
23 cancellation for [subject property address]. Buyer decided to cancel because of repairs."

24 ///

25 ///

26 DRE Accusation against Karen Yadira Castillo and MAXRES Inc, H-43246 LA
27

1 33.

2 Between November 17, 2025 and November 18, 2025, Duarte communicated to
3 the DRE SI that he did not receive the TDS from Respondent, and that he was not told that the
4 property was the subject of a dispute amongst its owners. Duarte stated, "My client canceled the
5 purchase immediately after the home inspection and we were just a couple of days into the
6 purchase..."

7 34.

8 February 28, 2025 Offer

9 (Transaction C)

10 On or about November 10, 2025, the DRE SI sent a Code Section 10148 request
11 letter to Pacific West Real Estate and REB Rosie M. Rizo (Rizo) for copies of all documents in
12 the transaction file for the subject property in which their affiliated RES Anabel Beltran (Beltran)
13 represented the Buyer (111025 DRE 2nd letter). On November 24, 2025, the DRE SI received
14 transaction file documents pursuant to the 111025 DRE letter.

15 35.

16 Included in the transaction documents produced by Rizo, as described above in
17 Paragraph 34, is a Residential Purchase Agreement (RPA) dated February 24, 2025 (022425
18 offer) for the subject property from Buyer Maria G. and accepted by Flipartner LLC (Seller) on
19 February 28, 2025 (Transaction C).

20 36.

21 Also included in the transaction documents produced by Rizo, as described above
22 in Paragraph 34, is the Multiple Listing Service (MLS) profile for the subject property, printed
23 February 21, 2025 (022125 MLS). Said 022125 MLS pages displayed demographical
24 information regarding the subject property, listed CASTILLO and Century 21 Allstars as the
25 listing agent and office, respectively, and included the list price of \$639,995. The 022125 MLS

26 DRE Accusation against Karen Yadira Castillo and MAXRES Inc, H-43246 LA
27

1 profile pages do not include information regarding the pending litigation described above in
2 Paragraphs 17 through 19.

3 37.

4 Also included in the transaction documents produced by Rizo, as described above
5 in Paragraph 34 is the SPQ generated by Respondents CASTILLO/MAXRES/Century 21 Allstars
6 via ZipForms, and dated and signed by [Seller] Timothy Bernett, President on March 13, 2025
7 and by Buyer Maria G. on March 14, 2025. At Question 15C. of the SPQ “Are you (Seller)
8 aware of past, present, pending or threatened lawsuits, settlements, mediations, arbitrations, tax
9 liens, mechanics’ liens, notice of default, bankruptcy or other court filings, or government
10 hearings affecting or relating to the Property, Homeowner Association or neighborhood?” the
11 box for “Yes” was checked and in the space provided for explanation was the note, “15. C:
12 Settlement.”

13 38.

14 Also included in the transaction documents produced by Rizo, as described above
15 in Paragraph 34, is the TDS generated by Respondents CASTILLO/MAXRES/Century 21
16 Allstars via ZipForms, and dated and signed by Respondent on March 11, 2025, by [Seller]
17 Timothy Bernett, President on March 13, 2025 and by Buyer Maria G. on March 14, 2025. At
18 Question 16 of the TDS, “Are you (Seller) aware of any of the following...Any lawsuits by or
19 against the Seller threatening to or affecting this real property, claims for damages by the Seller
20 pursuant to § 910 or 914 threatening to or affecting this real property, claims for breach of
21 warranty pursuant to § 900 threatening to or affecting this real property, or claims for breach of
22 an enhanced protection agreement pursuant to § 903 threatening to or affecting this real
23 property, including any lawsuits or claims for damages pursuant to § 910 or 914 alleging a
24 defect or deficiency in this real property or “common areas” (facilities such as pools, tennis
25
26
27

DRE Accusation against Karen Yadira Castillo and MAXRES Inc, H-43246 LA

1 courts, walkways, or other areas co-owned in undivided interest with others)?” the box for “No”
2 was checked.

3 39.

4 Included in the transaction documents produced by MAXRES Inc, as described
5 above in Paragraph 24, is a copy of an email from Beltran to Respondent dated March 17, 2025
6 with the text, “Hi Keren [sic], see home inspection report attached Hello Escrow Good morning,
7 please release buyer deposit at you earlies convenient let me know when to pick up the check.
8 Thank You for your time and attention. The email included a PDF attachment, a “Cancellation
9 of Contract, Disposition of Deposit and Cancellation of Escrow,” dated and signed by Buyer
10 Maria G. on March 15, 2025 and by Timothy Burnett/Flipartner LLC on March 17, 2025.

11 40.

12 Between December 19, 2025 and December 28, 2025, Beltran communicated to
13 the DRE SI via e-mail that neither CASTILLO nor Seller provided any written or verbal
14 communication regarding any court order or pending litigation “before during or after the
15 opening of escrow...” Beltran stated, “...Ms Castillo, she was dismissive and said not to worried
16 [sic] about the title that Title Company was going to be clear at close of escrow. Also I would
17 like to NOTE: that Ms. Castillo, was very insistent in ordering and obtaining a copy of the
18 appraisal so much undo pressure that ask for the property disclosures.”

19 41.

20 March 19, 2025 Offer, Completed Transaction

21 (Transaction D)

22 Included in the transaction documents produced by MAXRES Inc, as described
23 above in Paragraph 24, is a Residential Purchase Agreement (RPA) dated March 16, 2025
24 (031625 offer) for the subject property from Buyers Fernando and Adamari B. and accepted by
25 Flipartner LLC (Seller) on March 19, 2025 (Transaction D). Transaction D was a dual agency

26 DRE Accusation against Karen Yadira Castillo and MAXRES Inc, H-43246 LA
27

1 sale, as the Buyers were represented by Karina Chavez (Chavez), also of Century 21 Allstars.
2 According to the Text Overflow Addendum No. 1 (TOA) included in the transaction documents
3 produced by MAXRES (incorporated by reference to the Seller Multiple Counter Offer No. 1
4 dated March 17, 2025), "...5. Escrow to be Pacific Escrow." The TOA makes no mention of the
5 litigation affecting the subject property, as described above in Paragraphs 17 through 19.

6 42.

7 Also included in the transaction documents produced by MAXRES Inc, as
8 described above in Paragraph 24, is the MLS profile for the subject property, printed October 14,
9 2025 (101425 MLS). Said 101425 MLS pages provided demographical information regarding
10 the subject property, listed Respondent and Century 21 Allstars as the listing agent and office,
11 respectively, included the list price of \$639,995, and is marked as "closed" in the status field.
12 The 101425 MLS profile pages do not include information regarding the pending litigation
13 described above in Paragraphs 17 through 19.

14 43.

15 Also included in the transaction documents produced by MAXRES Inc, as
16 described above in Paragraph 24, is the SPQ generated by CASTILLO/MAXRES/Century 21
17 Allstars via ZipForms, and dated and signed by [Seller] Timothy Bernett, President on March 13,
18 2025 and by Buyers Fernando and Adamari B. on March 29, 2025. At Question 15C. of the SPQ
19 "Are you (Seller) aware of past, present, pending or threatened lawsuits, settlements, mediations,
20 arbitrations, tax liens, mechanics' liens, notice of default, bankruptcy or other court filings, or
21 government hearings affecting or relating to the Property, Homeowner Association or
22 neighborhood?" the box for "Yes" was checked and in the space provided for explanation was
23 the note, "15. C: Settlement." A Text Overflow Addendum No. 1 (TOA) is included in the
24 transaction documents produced by MAXRES, as described in Paragraph 24. Said TOA

25
26 DRE Accusation against Karen Yadira Castillo and MAXRES Inc, H-43246 LA
27

1 references, and is intended to accompany the SPQ; however, the TOA makes no mention of the
2 litigation affecting the subject property, as described above in Paragraphs 17 through 19.

3 44.

4 Also included in the transaction documents produced by MAXRES Inc, as
5 described above in Paragraph 24, is the TDS generated by CASTILLO/MAXRES/Century 21
6 Allstars via ZipForms, dated and signed by Respondent on March 11, 2025, by [Seller] Timothy
7 Bernett, President on March 13, 2025 and by Buyers Fernando and Adamari B. on March 13,
8 2025. At Question 16 of the TDS, “Are you (Seller) aware of any of the following...Any
9 lawsuits by or against the Seller threatening to or affecting this real property, claims for damages
10 by the Seller pursuant to § 910 or 914 threatening to or affecting this real property, claims for
11 breach of warranty pursuant to § 900 threatening to or affecting this real property, or claims for
12 breach of an enhanced protection agreement pursuant to § 903 threatening to or affecting this
13 real property, including any lawsuits or claims for damages pursuant to § 910 or 914 alleging a
14 defect or deficiency in this real property or “common areas” (facilities such as pools, tennis
15 courts, walkways, or other areas co-owned in undivided interest with others)?” the box for “No”
16 was checked.

17 ///

18 ///

19 ///

20 ///

21 ///

22 ///

23 ///

24 ///

25 ///

26 DRE Accusation against Karen Yadira Castillo and MAXRES Inc, H-43246 LA
27

45.

During the pendency of Transaction D, WFG National Title Company issued a 30-page Updated Preliminary Report dated June 25, 2025 (062525 UPR) for the subject property. According to page 1 of the 020624 PTR "Title to said estate...is vested in: Flipartner, LLC, a California Limited Liability Company, subject to item(s) 8, 9 and 10 as shown herein." Beginning at page 3 of the 062525 UPR, is a list of policy exceptions and exclusions. Specifically, "At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

...

9. A pending court action as disclosed by a recorded notice:

Plaintiff: Flipartner, LLC, a California Limited Liability Company

Defendant: Elaine Fatherre Robinson; Sam Robinson, Jr.; Michael

Whitaker, et al

County: Los Angeles

Court: Superior Court of the State of California for the County of Los Angeles

Case No.: 23STCV17938

Nature of Action: affects title to specific real property

Recorded: January 19, 2024

Instrument No.: 20240041848

10. A pending court action as disclosed by a recorded notice

Plaintiff: Flipartner, LLC, a California Limited Liability Company

Defendant: Elaine R.; Sam R.; Michael W., et al

County: Los Angeles

Court: Superior Court of the State of California for the County of Los

DRE Accusation against Karen Yadira Castillo and MAXRES Inc, H-43246 LA

1 Angeles

2 Case No.: 23STCV17938

3 Nature of Action: affects title to specific real property

4 Recorded: JULY 30, 3034

5 Instrument No.: 20240041848...”

6 46.

7 To date, the DRE has not received evidence that the UPR was delivered to the
8 Buyer. No evidence has been proffered by CASTILLO or MAXRES indicative that either or
9 both provided a copy of the UPR to Buyers Fernando and Adamari B. or Buyer’s agent, Chavez.

10 47.

11 Transaction File from Pacific Escrow, Inc.

12 On or about December 22, 2025, the DRE issued a *subpoena duces tecum* to
13 Pacific Escrow, Inc. (PEI) for the escrow transaction file relating to the subject property, Escrow
14 No. 48487-DG. On or about January 6, 2025, PEI produced to the DRE copies of the
15 subpoenaed records (010625 PEI records).

16 48.

17 According to 010625 PEI records, on August 7, 2025 (Check No. 305724),
18 Century 21 Allstars was paid the amount \$13,390.52 for Escrow No. 48487-DG for the subject
19 property transaction. According to the Receipts and Disbursements Listing included in the
20 010625 PEI records, the total disbursements made to Century 21 Allstars are as follows:

21 A. 08-07-25: Check No. 305274 in the amount \$13,390.52;

22 B. 08-07-25 Check No. 305725 in the amount \$16,640.51;

23 C. 08-07-25 Check No. 305726 in the amount \$108.51; and

24 D. 08-07-25 Check No. 305727 in the amount \$325.00.

25 ///

26 DRE Accusation against Karen Yadira Castillo and MAXRES Inc, H-43246 LA
27

Redfin.com Transaction Timeline of Subject Property

According to a Redfin.com printout obtained by the DRE SI on December 30, 2025 for the subject property (123025 Redfin timeline), on December 9, 2023, the subject property was listed for \$705,999, as active California Regional Multiple Listing Service (CRMLS) listing number DW232221611 (CRMLS #DW23221611). According to the 123025 Redfin timeline, the subject property was listed on February 18, 2025 for \$639,995 as CRMLS #DW25036479. The subject property was sold on August 7, 2025 for \$650,000. According to the 123025 Redfin timeline, the subject property was listed by CASTILLO of Century 21 Allstars.

APPLICABLE SECTIONS OF THE REAL ESTATE LAW**Retention of Records****(Code Section 10148)**

Pursuant to Code Section 10148 *Retention of Records – Chargeable Audits – Cost Recovery – Penalties for Unlawful Destruction of Records*:

“(a) A licensed real estate broker shall retain for three years copies of all listings, deposit receipts, cancelled checks, trust records, and other documents executed by him or her or obtained by him or her in connection with any transactions for which a real estate broker license is required. The retention period shall run from the date of the closing of the transaction or from the date of the listing if the transaction is not consummated. After notice, the books, accounts, and records shall be made available for examination, inspection, and copying by the commissioner or his or her designated representative during regular business hours; and shall, upon the appearance of sufficient cause, be subject to audit without further notice, except that the audit shall not be harassing in nature. This subdivision shall not be construed to require a

1 licensed real estate broker to retain electronic messages of an ephemeral nature, as described in
2 subdivision (d) of Section 1624 of the Civil Code.

3 (b) The commissioner shall charge a real estate broker for the cost of any audit, if
4 the commissioner has found, in a final desist and refrain order issued under Section 10086 or in a
5 final decision following a disciplinary hearing held in accordance with Chapter 5 (commencing
6 with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code that the broker
7 has violated Section 10145 or a regulation or rule of the commissioner interpreting Section
8 10145.

9 (c) The bureau may suspend or revoke the license of any real estate broker, real
10 estate salesperson , or corporation licensed as a real estate broker, if the real estate broker, real
11 estate salesperson, or any director, officer, employee, or agent of the corporation licensed as a
12 real estate broker knowingly destroys, alters, conceals, mutilates, or falsifies any of the books,
13 papers, writings, documents, or tangible objects that are required to be maintained by this section
14 or that have been sought in connection with an investigation, audit, or examination of a real
15 estate licensee by the commissioner.”

16 51.

17 **Grounds for Revocation or Suspension**

18 **(Code Section 10176)**

19 Pursuant to Code Section 10176 *Grounds for Revocation or Suspension*:

20 “The commissioner may, upon his or her own motion, and shall, upon the verified
21 complaint in writing of any person, investigate the actions of any person engaged in the business
22 or acting in the capacity of a real estate licensee within this state, and he or she may temporarily
23 suspend or permanently revoke a real estate licensee at any time where the licensee, while a real
24 estate licensee, in performing or attempting to perform any of the acts within the scope of this
25 chapter has been guilty of any of the following:

26 DRE Accusation against Karen Yadira Castillo and MAXRES Inc, H-43246 LA
27

- 1 (a) Making any substantial misrepresentation...
- 2 (b) Making any false promise of a character likely to influence, persuade, or
- 3 induce.
- 4 (c) A continued and flagrant course of misrepresentation or making of false
- 5 promises through licensees.
- 6 (d) Acting for more than one party in a transaction without the knowledge or
- 7 consent of all parties thereto.
- 8 (e) Commingling with his or her own money or property the money or other
- 9 property of others which is received and held by him or her.
- 10 (f) Claiming, demanding, or receiving a fee, compensation, or commission under
- 11 any exclusive agreement authorizing a licensee to perform any acts set forth in
- 12 Section 10131 for compensation or commission where the agreement does not
- 13 contain a definite, specific date of final and complete termination.
- 14 (g) The claiming or taking by a licensee of any secret or undisclosed amount of
- 15 compensation, commission, or profit or the failure of a licensee to reveal to
- 16 the buyer or seller contracting with the licensee the full amount of the
- 17 licensee's compensation, commission, or profit under any agreement
- 18 authorizing the licensee to do any acts for which a license is required under
- 19 this chapter for compensation or commission prior to or coincident with the
- 20 signing of an agreement evidencing the meeting of the minds of the
- 21 contracting parties, regardless of the form of the agreement, whether
- 22 evidenced by documents in an escrow or by any other or different procedure.
- 23 (h) The use by a licensee of any provision, which allows the licensee an option to
- 24 purchase, in an agreement with a buyer or seller that authorizes the licensee to
- 25 sell, buy, or exchange real estate or a business opportunity for compensation
- 26
- 27

DRE Accusation against Karen Yadira Castillo and MAXRES Inc, H-43246 LA

1 or commission, except when the licensee, prior to or coincident with election
2 to exercise the option to purchase, reveals in writing to the buyer or seller the
3 full amount of the licensee's profit and obtains the written consent of the
4 buyer or seller approving the amount of the profit.

- 5 (i) Any other conduct, whether of the same or of a different character than
6 specified in this section, which constitutes fraud or dishonest dealing.
- 7 (j) Obtaining the signature of a prospective buyer to an agreement which
8 provides that the prospective buyer shall either transact the purchasing,
9 leasing, renting, or exchanging of a business opportunity property through the
10 broker obtaining the signature, or pay a compensation to the broker if the
11 property is purchased, leased, rented, or exchanged without the broker first
12 having obtained the written authorization of the owner of the property
13 concerned to offer the property for sale, lease, exchange, or rent.
- 14 (k) Failing to disburse funds in accordance with a commitment to make a
15 mortgage loan that is accepted by the applicant when the real estate broker
16 represents to the applicant that the broker is either of the following:
- 17 (1) The lender.
- 18 (2) Authorized to issue the commitment on behalf of the lender or lenders in
19 the mortgage loan transaction.
- 20 (l) Intentionally delaying the closing of a mortgage loan for the sole purpose of
21 increasing interest, costs, fees, or charges payable by the borrower.
- 22 (m) Violating any section, division, or article of law which provides that a
23 violation of that section, division, or article of law by a licensed person is a
24 violation of that person's licensing law, if it occurs within the scope of that
25 person's duties as a licensee."

26 DRE Accusation against Karen Yadira Castillo and MAXRES Inc, H-43246 LA
27

Further Grounds for Disciplinary Action

(Code Section 10177 (selected portions))

Pursuant to Code Section 10177 *Further Grounds for Disciplinary Action*
(selected portions):

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

* * *

(d) Willfully disregarded or violated the Real Estate Law (Part 1 (commencing with Section 10000)) or Chapter 1 (commencing with Section 11000) of Part 2 or the rules and regulations of the commissioner for the administration and enforcement of the Real Estate Law and Chapter 1 (commencing with Section 11000) of Part 2.

* * *

(g) Demonstrated negligence or incompetence in performing an act for which the officer, director, or person is required to hold a license.

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

///

///

///

///

///

- 1
- 2
- 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

2

3
4

5

6

7
8
9
10
11

12

13

14
15
16
17
18

19

20

21
22
23
24
25

1 57.

2 **FOURTH CAUSE FOR DISCIPLINE**

3 In the course of the activities described above, and based on the facts discovered
4 by the Department, as described above, the acts and/or omissions of Respondent **KAREN**
5 **YADIRA CASTILLO** are in violation of **Code Section 10177(g)** and constitute cause for the
6 suspension or revocation of all licenses, license rights and license endorsements of **CASTILLO**
7 under the Real Estate Law.

8 58.

9 **FIFTH CAUSE FOR DISCIPLINE**

10 In the course of the activities described above, and based on the facts discovered
11 by the Department, as described above, the acts and/or omissions of Respondent **MAXRES INC**
12 are in violation of **Code Section 10148** and constitute cause for the suspension or revocation of
13 all licenses, license rights and license endorsements of **MAXRES** under the Real Estate Law.

14 **COSTS**

15 59.

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

20 ///

21 ///

22 ///

23 ///

24 ///

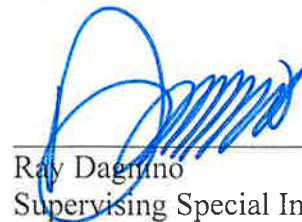
25 ///

26 DRE Accusation against Karen Yadira Castillo and MAXRES Inc, H-43246 LA
27

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 all the licenses, license rights, and license endorsements of Respondents **KAREN**
4 **YADIRA CASTILLO** and **MAXRES INC** under the Real Estate Law (Part 1 of Division 4 of
5 the Business and Professions Code), and for such other and further relief as may be proper under
6 other applicable provisions of law.

7 Dated at Los Angeles, California:

9/15/2026

8
9
10 
11 Ray Dagnino
Supervising Special Investigator

12 cc: Karen Yadira Castillo
13 MAXRES Inc, Attn: D.O. Joseph Zavala Villaescusa
14 R. Dagnino
15 Sacto.
16
17
18
19
20
21
22
23
24
25
26
27