

1 Department of Real Estate
2 320 West 4th Street, Suite 350
3 Los Angeles, California 90013-1105

4 Telephone: (213) 576-6982

FILED
FEB - 7 2011
DEPARTMENT OF REAL ESTATE

By CR

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11
12 In the Matter of the Accusation of) No. H-36580 LA
13) L-2010060386
14 MARQUEZ INVESTMENTS, INC.;)
15) STIPULATION AND
16 MANUEL MARQUEZ, individually) AGREEMENT
17 and as designated broker-)
18 officer of Marquez Investments,)
19 Inc.; and)
20 PAULO SERGIO CASTANEDA,)
21 Respondents.)

22 It is hereby stipulated by and between MARQUEZ
23 INVESTMENTS, INC. and MANUEL MARQUEZ (sometimes referred to as
24 "Respondents") and their attorney of record, Frank M. Buda, and
25 the Complainant, acting by and through Lissete Garcia, Counsel
26 for the Department of Real Estate, as follows for the purpose of
27 settling and disposing of the First Amended Accusation filed on
July 22, 2010, in this matter:

1. All issues which were to be contested and all

1 evidence which was to be presented by Complainant and
2 Respondents at a formal hearing on the First Amended Accusation,
3 which hearing was to be held in accordance with the provisions
4 of the Administrative Procedure Act ("APA"), shall instead and
5 in place thereof be submitted solely on the basis of the
6 provisions of this Stipulation and Agreement ("Stipulation").

7 2. Respondents have received, read and understand the
8 Statement to Respondent, the Discovery Provisions of the APA and
9 the Accusation, filed by the Department of Real Estate in this
10 proceeding.

11 3. On April 22, 2010, Respondents filed Notices of
12 Defense pursuant to Section 11506 of the Government Code for the
13 purpose of requesting a hearing on the allegations in the First
14 Amended Accusation. Respondents hereby freely and voluntarily
15 withdraw said Notices of Defense. Respondents acknowledge that
16 they understand that by withdrawing said Notices of Defense they
17 will thereby waive their right to require the Commissioner to
18 prove the allegations in the First Amended Accusation at a
19 contested hearing held in accordance with the provisions of the
20 APA and that they will waive other rights afforded to them in
21 connection with the hearing such as the right to present
22 evidence in defense of the allegations in the First Amended
23 Accusation and the right to cross-examine witnesses.

24 4. This Stipulation is based on the factual
25 allegations contained in the First Amended Accusation filed in
26 this proceeding. In the interest of expedience and economy,
27 Respondents choose not to contest these factual allegations, but

1 to remain silent and understand that, as a result thereof, these
2 factual statements, will serve as a prima facie basis for the
3 disciplinary action stipulated to herein. The Real Estate
4 Commissioner shall not be required to provide further evidence
5 to prove such allegations.

6 5. This Stipulation and Respondents' decision not to
7 contest the First Amended Accusation are made for the purpose of
8 reaching an agreed disposition of this proceeding and are
9 expressly limited to this proceeding and any other proceeding or
10 case in which the Department of Real Estate ("Department"), or
11 another licensing agency of this state, another state or if the
12 federal government is involved and otherwise shall not be
13 admissible in any other criminal or civil proceedings.

14 6. It is understood by the parties that the Real
15 Estate Commissioner may adopt the Stipulation as his decision in
16 this matter thereby imposing the penalty and sanctions on
17 Respondents' real estate licenses and license rights as set
18 forth in the below "Order". In the event that the Commissioner
19 in his discretion does not adopt the Stipulation, the
20 Stipulation shall be void and of no effect, and Respondents
21 shall retain the right to a hearing on the First Amended
22 Accusation under all the provisions of the APA and shall not be
23 bound by any stipulation or waiver made herein.

24 7. The Order or any subsequent Order of the Real
25 Estate Commissioner made pursuant to this Stipulation shall not
26 constitute an estoppel, merger or bar to any further
27 administrative or civil proceedings by the Department of Real

1 Estate with respect to any conduct which was not specifically
2 alleged to be causes for accusation in this proceeding.

3 8. Respondents MARQUEZ INVESTMENTS, INC. and MANUEL
4 MARQUEZ understand that by agreeing to this Stipulation, they
5 agree to pay, pursuant to Business and Professions Code Section
6 10148, the cost of audit which led to this disciplinary action.
7 The amount of said cost for the audit is \$2,401.30.

8 9. Respondents MARQUEZ INVESTMENTS, INC. and MANUEL
9 MARQUEZ have received, read, and understand the "Notice
10 Concerning Costs of Subsequent Audit". Respondents MARQUEZ
11 INVESTMENTS, INC. and MANUEL MARQUEZ further understand that by
12 agreeing to this Stipulation, the findings set forth below in the
13 Determination of Issues become final, and the Commissioner may
14 charge Respondents for the cost of any subsequent audit conducted
15 pursuant to Business and Professions Code Section 10148 to
16 determine if the violations have been corrected. The maximum
17 cost of the subsequent audit will not exceed \$2,401.30.

18 DETERMINATION OF ISSUES

19 By reason of the foregoing stipulations and waivers and
20 solely for the purpose of settlement of the pending First Amended
21 Accusation without a hearing, it is stipulated and agreed that
22 the following determination of issues shall be made:

23 I

24 The conduct, acts and/or omissions of Respondents
25 MARQUEZ INVESTMENTS, INC. and MANUEL MARQUEZ as described in
26 Paragraph 4, constitute cause for the suspension or revocation of
27 all the real estate licenses and license rights of Respondents

1 MARQUEZ INVESTMENTS, INC. and MANUEL MARQUEZ under the provisions
2 of Sections 10177(d) and 10177(g) of the Business and Professions
3 Code ("Code") for violations of Code Sections 10085, 10085.5,
4 10137, 10145, 10146, 10159.5 and 10236.4 and Sections 2831,
5 2831.1, 2831.2, 2832, 2840, 2970 and 2972 of Title 10, Chapter 6,
6 California Code of Regulations.

7 II

8 The conduct, acts or omissions of MANUEL MARQUEZ, as
9 described in Paragraph 4, above, are in violation of Code
10 Section 10159.2 and is a basis for discipline of Respondent
11 MANUEL MARQUEZ's license and license rights as violation of the
12 Real Estate Law pursuant to Code Sections 10777(d), 10177(g) and
13 10177(h).

14 ORDER

15 WHEREFORE, THE FOLLOWING ORDER is hereby made:

16 I

17 All licenses and licensed rights of Respondent MARQUEZ
18 INVESTMENTS, INC. under the Real Estate Law are revoked.

19 II

20 A. All licenses and licensed rights of Respondent
21 MANUEL MARQUEZ under the Real Estate Law are suspended for a
22 period of ninety (90) days from the effective date of this
23 Decision; provided, however, that the initial thirty (30) days
24 of said suspension shall be stayed upon the following terms and
25 conditions:

26 1. Respondent MANUEL MARQUEZ shall pay a monetary
27 penalty pursuant to Section 10175.2 of the Business and

1 Professions Code of \$4,500 (at the rate of \$150 per day for each
2 day of the suspension) for a total monetary penalty of \$4,500.

3 2. Said payment shall be in the form of a cashier's
4 check or certified check made payable to the Recovery Account of
5 the Real Estate Fund. Said check must be received by the
6 Department prior to the effective date of the Decision in this
7 matter.

8 3. No further cause for disciplinary action against
9 the real estate licenses of Respondent MANUEL MARQUEZ occurs
10 within two (2) years from the effective date of the Decision in
11 this matter.

12 4. If Respondent MANUEL MARQUEZ fails to pay the
13 monetary penalty in accordance with the terms and conditions of
14 the Decision, the Commissioner may, without a hearing, order the
15 immediate execution of all or any part of the stayed suspension,
16 in which event the Respondent shall not be entitled to any
17 repayment nor credit, prorated or otherwise, for money paid to
18 the Department under the terms of this Decision.

19 5. If Respondent MANUEL MARQUEZ pays the monetary
20 penalty and if no further cause for disciplinary action against
21 the real estate license of Respondent MANUEL MARQUEZ occurs
22 within two (2) years from the effective date of the Decision,
23 the stay hereby granted shall become permanent

24 B. The remaining sixty (60) days of the ninety (90)
25 day suspension shall be stayed for two (2) years upon the
26 following terms and conditions:
27

Respondent MANUEL MARQUEZ shall pay such cost within
60 days of receiving an invoice from the Commissioner detailing
the activities performed during the audit and the amount of time
spent performing those activities.

The Commissioner may suspend the license of Respondent
MANUEL MARQUEZ pending a hearing held in accordance with Section
11500, et seq., of the Government Code, if payment is not timely
made as provided for herein, or as provided for in a subsequent
agreement between the Respondent MANUEL MARQUEZ and the
Commissioner. The suspension shall remain in effect until
payment is made in full or until Respondent MANUEL MARQUEZ
enters into an agreement satisfactory to the Commissioner to
provide for payment, or until a decision providing otherwise is
adopted following a hearing held pursuant to this condition.

IV

Respondent MANUEL MARQUEZ shall within six (6) months
from the effective date of the Decision herein, take and pass
the Professional Responsibility Examination administered by the
Department including the payment of the appropriate examination
fee. If Respondent fails to satisfy this condition, the
Commissioner may order suspension of Respondent's license until
Respondent passes the examination.

V

All licenses and licensing rights of Respondent MANUEL
MARQUEZ are indefinitely suspended unless or until Respondent
provides proof satisfactory to the Commissioner, of having taken
and successfully completed the continuing education course on

1 trust fund accounting and handling specified in paragraph (3) of
2 subdivision (a) of Section 10170.5 of the Business and
3 Professions Code. Proof of satisfaction of this requirement
4 includes evidence that Respondent has successfully completed the
5 trust fund account and handling continuing education course
6 within 120 days prior to the effective date of the Decision in
7 this matter.

8 VI

9 All licenses and licensing rights of Respondent MANUEL
10 MARQUEZ are indefinitely suspended unless or until Respondent
11 provides evidence satisfactory to the Real Estate Commissioner
12 by the effective date of this Decision, that he has made payment
13 of restitution in the amount of \$901 to Angelica Estrella Nunez
14 and \$250 to Susana Ramirez.

15 DATED: January 13, 2011

Lisette Garcia
LISSETE GARCIA, Counsel for the
Department of Real Estate
* * *

18 We have read the Stipulation and Agreement, have
19 discussed it with our counsel, and its terms are understood by
20 us and are agreeable and acceptable to us. We understand that
21 we are waiving rights given to us by the California
22 Administrative Procedure Act (including but not limited to
23 Sections 11506, 11508, 11509 and 11513 of the Government Code),
24 and we willingly, intelligently and voluntarily waive those
25 rights, including the right of requiring the Commissioner to
26 prove the allegations in the First Amended Accusation at a
27

1 witnesses against us and to present evidence in defense and
2 mitigation of the charges.

3 Respondents can signify acceptance and approval of the
4 terms and conditions of this Stipulation and Agreement by faxing
5 a copy of the signature page, as actually signed by Respondents,
6 to the Department at the following fax number: (213) 576-6917.
7 Respondents agree, acknowledge and understand that by
8 electronically sending to the Department a fax copy of their
9 actual signature as it appears on the Stipulation and Agreement,
10 that receipt of the faxed copy by the Department shall be as
11 binding on Respondents as if the Department had received the
12 original signed Stipulation and Agreement.

13 Further, if the Respondents are represented by
14 counsel, the Respondents' counsel can signify his agreement to
15 the terms and conditions of the Stipulation and Agreement by
16 submitting that signature via fax.

17
18 DATED: 01/13/11

MARQUEZ INVESTMENTS, INC.
By Manuel Marquez, President

19
20
21 DATED: 01/13/11

MANUEL MARQUEZ
Respondent

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23
24 DATED: 1-13-11

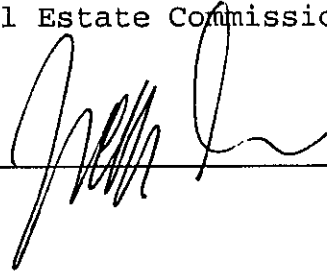
FRANK M. BUDA
Counsel for Respondent
Approved as to Form

* * *

1 The foregoing Stipulation and Agreement is hereby
2 adopted as my Decision and Order in this matter, and shall
3 become effective at 12 o'clock noon on March 9, 2011.

4 IT IS SO ORDERED 2/1, 2011.

5
6 JEFF DAVI
7 Real Estate Commissioner

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(213) 576-6982

FILED
JAN 27 2011
DEPARTMENT OF REAL ESTATE

By C

STATE OF CALIFORNIA

★ ★ ★

In the Matter of the Accusation of) NO. H-36580 LA
) L-2010060386
MARQUEZ INVESTMENTS, INC.;)
)
MANUEL MARQUEZ, individually)
and as designated broker-)
officer of Marquez Investments,)
Inc.; and)
)
PAULO SERGIO CASTANEDA,)
)
Respondents.)
)

1. All issues which were to be contested and all evidence which was to be presented by Complainant and Respondent

1 at a formal hearing on the First Amended Accusation, which
2 hearing was to be held in accordance with the provisions of the
3 Administrative Procedure Act ("APA"), shall instead and in place
4 thereof be submitted solely on the basis of the provisions of
5 this Stipulation and Agreement ("Stipulation").

6 2. Respondent has received, read and understands the
7 Statement to Respondent, the Discovery Provisions of the APA and
8 the First Amended Accusation, filed by the Department of Real
9 Estate in this proceeding.

10 3. On April 30, 2010, Respondent filed a Notice of
11 Defense pursuant to Section 11506 of the Government Code for the
12 purpose of requesting a hearing on the allegations in the First
13 Amended Accusation. Respondent hereby freely and voluntarily
14 withdraws said Notice of Defense. Respondent acknowledges that
15 he understands that by withdrawing said Notice of Defense he will
16 thereby waive his right to require the Commissioner to prove the
17 allegations in the First Amended Accusation at a contested
18 hearing held in accordance with the provisions of the APA and
19 that he will waive other rights afforded to him in connection
20 with the hearing such as the right to present evidence in defense
21 of the allegations in the First Amended Accusation and the right
22 to cross-examine witnesses.

23 4. This Stipulation is based on the factual
24 allegations contained in the First Amended Accusation filed in
25 this proceeding. In the interest of expedience and economy,
26 Respondent chooses not to contest these factual allegations, but
27 to remain silent and understands that, as a result thereof, these

1 factual statements, will serve as a prima facie basis for the
2 disciplinary action stipulated to herein. The Real Estate
3 Commissioner shall not be required to provide further evidence to
4 prove such allegations.

5 5. This Stipulation and Respondent's decision not to
6 contest the First Amended Accusation are made for the purpose of
7 reaching an agreed disposition of this proceeding and are
8 expressly limited to this proceeding and any other proceeding or
9 case in which the Department of Real Estate ("Department"), or
10 another licensing agency of this state, another state or if the
11 federal government is involved and otherwise shall not be
12 admissible in any other criminal or civil proceedings.

13 6. It is understood by the parties that the Real
14 Estate Commissioner may adopt the Stipulation as his decision in
15 this matter thereby imposing the penalty and sanctions on
16 Respondent's real estate license and license rights as set forth
17 in the below "Order". In the event that the Commissioner in his
18 discretion does not adopt the Stipulation, the Stipulation shall
19 be void and of no effect, and Respondent shall retain the right
20 to a hearing on the First Amended Accusation under all the
21 provisions of the APA and shall not be bound by any stipulation
22 or waiver made herein.

23 7. The Order or any subsequent Order of the Real
24 Estate Commissioner made pursuant to this Stipulation shall not
25 constitute an estoppel, merger or bar to any further
26 administrative or civil proceedings by the Department of Real
27 Estate with respect to any conduct which was not specifically

1 alleged to be causes for accusation in this proceeding.

2 DETERMINATION OF ISSUES

3 By reason of the foregoing stipulations and waivers and
4 solely for the purpose of settlement of the pending First Amended
5 Accusation without a hearing, it is stipulated and agreed that
6 the following determination of issues shall be made:

7 The conduct, acts and/or omissions of Respondent
8 PAULO SERGIO CASTANEDA, as set forth in the First Amended
9 Accusation, constitute cause for the suspension or revocation of
10 all the real estate licenses and license rights of Respondent
11 PAULO SERGIO CASTANEDA, under the provisions of Sections 10177(d)
12 and 10177(j) of the Business and Professions Code ("Code") for
13 violations of Code Sections 10085, 10085.5 and Section 2970 of
14 Title 10, Chapter 6, California Code of Regulations.

15 ORDER

16 WHEREFORE, THE FOLLOWING ORDER is hereby made:

17 All licenses and licensing rights of Respondent PAULO
18 SERGIO CASTANEDA under the Real Estate Law are hereby revoked;
19 provided, however, a restricted real estate salesperson license
20 shall be issued to Respondent pursuant to Section 10156.5 of
21 the Business and Professions Code if Respondent makes
22 application therefor and pays to the Department of Real Estate
23 the appropriate fee for said license within ninety (90) days
24 from the effective date of this Decision. The restricted
25 license issued to Respondent shall be subject to all of the
26 provisions of Section 10156.7 of the Business and Professions
27 Code and to the following limitations, conditions and

1 restrictions imposed under authority of Section 10156.6 of that
2 Code:

3 1. Respondent shall, prior to the issuance of the
4 restricted license and as a condition of the issuance of said
5 restricted license, submit proof satisfactory to the
6 Commissioner of payment of restitution in the amount of \$250 to
7 Susana Ramirez and \$750 to Alicia Rios.

8 2. Any restricted license issued to Respondent shall
9 be suspended for thirty (30) days from the date of issuance of
10 said restricted license provided, however, if Respondent
11 petitions, said suspension shall be stayed for one (1) year
12 upon condition that:

13 a. Respondent pays a monetary penalty pursuant to
14 Section 10175.2 of the Business and Professions Code at the
15 rate of \$150 per day for each day of the suspension for a total
16 monetary penalty of \$4,500.

17 b. Said payment shall be in the form of a cashier's
18 check or certified check made payable to the Recovery Account
19 of the Real Estate Fund. Said check must be received by the
20 Department prior to the issuance of a restricted license.

21 c. No further cause for disciplinary action against
22 the real estate license of Respondent occurs within one (1)
23 year from the effective date of the Decision in this matter.

24 d. If Respondent fails to pay the monetary penalty
25 in accordance with the terms of the Decision, the Commissioner
26 may, without a hearing, order the immediate execution of all or
27 part of the stayed suspension in which event the Respondent

1 shall not be entitled to any repayment nor credit, prorated or
2 otherwise, for money paid to the Department under the terms of
3 this Decision.

4 e. If Respondent pays the monetary penalty and if no
5 further cause for disciplinary action against the real estate
6 license of Respondent occurs within one (1) year from the
7 effective date of the Decision, the stay hereby granted shall
8 become permanent.

9 3. The restricted license issued to Respondent may
10 be suspended prior to hearing by Order of the Real Estate
11 Commissioner in the event of Respondent's conviction or plea of
12 nolo contendere to a crime which is substantially related to
13 Respondent's fitness or capacity as a real estate licensee.

14 4. The restricted license may be suspended prior to
15 hearing by Order of the Real Estate Commissioner on evidence
16 satisfactory to the Commissioner that Respondent has violated
17 provisions of the California Real Estate Law, the Subdivided
18 Lands Law, Regulations of the Real Estate Commissioner or
19 conditions attaching to said restricted license.

20 5. Respondent shall not be eligible for the issuance
21 of an unrestricted real estate license nor for the removal of
22 any of the conditions, limitations or restrictions of the
23 restricted license until at least two (2) years have elapsed
24 from the effective date of this Decision.

25 6. Respondent shall submit with any application for
26 license under an employing broker, or any application for
27 transfer to a new employing broker, a statement signed by the

1 prospective employing real estate broker on a form approved by
2 the Department of Real Estate which shall certify:

3 (a) That the employing broker has read the Decision
4 of the Commissioner which granted the right to a restricted
5 license; and

6 (b) That the employing broker will exercise close
7 supervision over the performance by the restricted licensee
8 relating to activities for which a real estate license is
9 required.

10 7. Respondent shall, within nine (9) months from the
11 effective date of this Decision, present evidence satisfactory
12 to the Real Estate Commissioner that Respondent has, since the
13 most recent issuance of an original or renewal real estate
14 license, taken and successfully completed the continuing
15 education requirements of Article 2.5 of Chapter 3 of the Real
16 Estate Law for renewal of a real estate license. If Respondent
17 fails to satisfy this condition, the Commissioner may order the
18 suspension of the restricted license until the Respondent
19 presents such evidence. The Commissioner shall afford
20 Respondent the opportunity for a hearing pursuant to the APA to
21 present such evidence.

22 8. Respondent shall within six (6) months from the
23 effective date of this Decision, take and pass the Professional
24 Responsibility Examination administered by the Department
25 including the payment of the appropriate examination fee. If
26 Respondent fails to satisfy this condition, the Commissioner
27

1 may order suspension of Respondent's license until Respondent
2 passes the examination.

3 DATED: Dec. 16, 2010

4 Lisette Garcia
Lisette Garcia, Counsel for
5 the Department of Real Estate

6 * * *

7 I have read the Stipulation and Agreement and its terms
8 are understood by me and are agreeable and acceptable to me. I
9 understand that I am waiving rights given to me by the California
10 Administrative Procedure Act (including but not limited to
11 Sections 11506, 11508, 11509 and 11513 of the Government Code),
12 and I willingly, intelligently and voluntarily waive those
13 rights, including the right of requiring the Commissioner to
14 prove the allegations in the First Amended Accusation at a
15 hearing at which I would have the right to cross-examine
16 witnesses against me and to present evidence in defense and
17 mitigation of the charges.

18 Respondent can signify acceptance and approval of the
19 terms and conditions of this Stipulation and Agreement by faxing
20 a copy of the signature page, as actually signed by Respondent,
21 to the Department at the following telephone/fax number: (213)
22 576-6917. Respondent agrees, acknowledges and understands that
23 by electronically sending to the Department a fax copy of his
24 actual signature as it appears on the Stipulation and Agreement,
25 that receipt of the faxed copy by the Department shall be as
26
27

1 binding on Respondent as if the Department had received the
2 original signed Stipulation and Agreement.

3
4 DATED: 12/15/10


PAULO SERGIO CASTANEDA
Respondent

5
6 * * *

7 The foregoing Stipulation and Agreement is hereby
8 adopted as my Decision and Order in this matter, and shall become
9 effective at 12 o'clock noon on February 16, 2011.

10 IT IS SO ORDERED 1-19-2011.

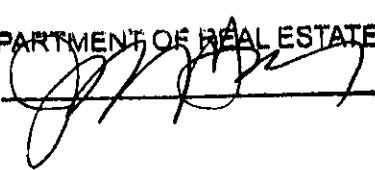
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12 JEFF DAVI
Real Estate Commissioner
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7/28/10
1 LISSETE GARCIA, Counsel (SBN 211552)
2 Department of Real Estate
3 320 West 4th Street, Suite 350
4 Los Angeles, California 90013-1105

5 Telephone: (213) 576-6982
6 (Direct) (213) 576-6914
7
8

FILED

JUL 22 2010

DEPARTMENT 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-36580 LA
13) L-2010060386
14 MARQUEZ INVESTMENTS, INC.;)
15) FIRST AMENDED
16 MANUEL MARQUEZ, individually) ACCUSATION
17 and as designated broker-)
18 officer of Marquez Investments,)
19 Inc.; and)
20)
21 PAULO SERGIO CASTANEDA,)
22)
23 Respondents.)
24)
25)
26)
27)

20 This First Amended Accusation amends the Accusation
21 filed on April 15, 2010. The Complainant, Robin Trujillo, a
22 Deputy Real Estate Commissioner, for cause of Accusation against
23 MARQUEZ INVESTMENTS, INC., MANUEL MARQUEZ, individually and as
24 designated broker-officer of Marquez Investments, Inc., and
25 PAULO SERGIO CASTANEDA, is informed and alleges as follows:

26 ///

27 ///

1. 1.

2 The Complainant, Robin Trujillo, a Deputy Real Estate
3 Commissioner of the State of California, makes this Accusation
4 in her official capacity.

2. 2.

5
6 At all times herein mentioned, Respondent MARQUEZ
7 INVESTMENTS, INC. ("MII"), was and still is licensed and/or has
8 license rights under the Real Estate Law (Part 1 of Division 4
9 of the Business and Professions Code) as a corporate real estate
10 broker. Respondent MII was originally licensed by the
11 Department of Real Estate ("Department") as a corporate real
12 estate broker on or about January 18, 2007. Respondent MII is
13 licensed to do business as "Golden California Mortgage" and
14 "Golden California Realty".

3. 3.

15
16 At all times relevant herein, Respondent MII was
17 authorized to act by and through Respondent MANUEL MARQUEZ
18 ("MARQUEZ") as its broker designated pursuant to Business and
19 Professions Code ("Code") Section 10159.2 to be responsible for
20 ensuring compliance with the Real Estate Law. Respondent
21 MARQUEZ' designation as the broker-officer of Respondent MII was
22 canceled as of October 15, 2008.

4. 4.

23
24 At all times herein mentioned, Respondent MII is and
25 was a California corporation. Respondent MARQUEZ is the owner,
26 President and CEO of MII. At all times relevant herein,
27 Respondent MARQUEZ has owned or controlled more than 10% of

1 Respondent MII's stock.

2 5.

3 At all times herein mentioned, Respondent MARQUEZ was
4 and is licensed and/or has license rights under the Code,
5 individually, as a real estate broker. Respondent MARQUEZ was
6 first licensed as a real estate broker on or about December 17,
7 2002. Beginning on or about January 18, 2007, through October
8 15, 2008, Respondent MANUEL MARQUEZ was the designated broker-
9 officer of Respondent MII.

10 6.

11 From December 13, 2007, to the present, Respondent
12 MARQUEZ is and has been the designated officer of Golden
13 California Mortgage Corp. Golden California Mortgage Corp. was
14 and still is licensed and/or has license rights under the Real
15 Estate Law (Part 1 of Division 4 of the Code) as a corporate
16 real estate broker since December 13, 2007.

17 7.

18 From on or about April 23, 2007, until July 21, 2009,
19 Respondent PAULO SERGIO CASTANEDA, also known as Paul Castaneda,
20 was licensed and/or had license rights under the Code as a real
21 estate salesperson. From on or about March 27, 2008, until
22 July 22, 2009, Respondent CASTANEDA was licensed as a real
23 estate salesperson under the employ of Golden California
24 Mortgage Corp. On July 23, 2009, Respondent Castaneda was
25 licensed by the Department as a real estate broker.

26 ///

27 ///

1 8.

2 All further references to "Respondents" include the
3 parties listed in Paragraphs 1 through 7 above, as well as the
4 employees, agents and real estate licensees employed by or
5 associated with each Respondent, who at all times material
6 herein were engaged in the furtherance of the business or
7 operations of Respondents, and who were acting within the course
8 and scope of their authority, agency or employment.

9
10 FIRST CAUSE OF ACCUSATION:
11 (Advance Fee Violations)
(MII, MARQUEZ, and CASTANEDA)

12 9.

13 During a period of time from approximately
14 February 28, 2008, and continuing through July, 2008,
15 Respondents engaged in the business of, acted in the capacity
16 of, advertised or assumed to act as real estate brokers in the
17 State of California, within the meaning of Code Sections
18 10131(d) and 10131.2, for or in expectation of compensation.
19 Respondents represented borrowers in negotiating and modifying
20 terms and obtaining mortgage loans, and collected advance fees
21 within the meaning of Code Sections 10026 and 10131.2, pursuant
22 to written agreements which constituted advance fee agreements
23 within the meaning of Code Section 10085. Respondents failed to
24 submit these advance fee agreements to the Commissioner before
25 using them.

26 ///

27 ///

10.

On or about February 28, 2008, Respondents MII and MARQUEZ collected an advance fee from Gilbert and Juanita Guzman for performance of loan negotiations and modification services. The Guzmans' lender served a Notice of Intent to Foreclose on their real property on November 5, 2007. Respondents MII and MARQUEZ attempted to circumvent the existing statutes and regulations that prohibited the charging of advance fees by titling their agreement as an "Agreement for Research and Analysis" along with a separate "Agreement for Negotiations." Pursuant to the terms of those agreements, Respondents MII and MARQUEZ agreed to negotiate the terms of a residential mortgage loan on behalf of the Guzmans. Respondents' agreements called for the Guzmans to pay Respondents an advance fee in the amount of \$1,500. The Guzmans paid \$1,000 of the advance fee to "Golden California Mortgage and Realty" per Respondents' instructions. Respondents MII and MARQUEZ failed to perform the services promised or to obtain a loan for Mr. Guzman on more favorable terms.

11.

In or around January, 2009, Mr. Guzman demanded a refund of the \$1,000 advance fee paid to Respondents. Respondent MARQUEZ refunded \$250 of the Guzmans' money. In or around April, 2009, Mr. Guzman made another demand for the remaining \$750 of the advance fee paid to Respondents. Thereafter, Respondent MARQUEZ refunded the \$750 to the Guzmans.

///

12.

The written agreements between Respondents MII and MARQUEZ and the Guzmans were not submitted to or reviewed by the Department prior to use.

13.

On or about July 28, 2008, Respondents MII and MARQUEZ collected an advance fee from Armando Garcia for performance of loan negotiation and modification services. Mr. Garcia's lender served a Notice of Default on July 17, 2008. Mr. Garcia paid an advance fee in the amount of \$1,500 to MII. Respondents MII and MARQUEZ failed to perform the services promised or to obtain a loan for Mr. Garcia on more favorable terms. Upon learning that Respondents were prohibited from charging or collecting advance fees for loan negotiation and modification services, Mr. Garcia demanded a refund of the \$1,500 advance fee he paid to Respondents. On or about January 2, 2009, Respondent MARQUEZ refunded \$900 to Mr. Garcia. Respondents refused to refund the remaining \$600 of the advance fee paid by Mr. Garcia.

14.

Additional examples of advance fees from borrowers that Respondents collected for the purpose of providing loan negotiations and modifications during the period of time between February 28, 2008 and July 28, 2008, include, but are not limited to, the following transactions:

///

///

Date Amount Received	Borrower	Amount Charged or Collected	Amount Respondents Claim to Have Refunded
----------------------------	----------	-----------------------------------	--

3/27/08	Delia Beltran Chamu	\$1,500	\$0
6/01/08	Alicia Rios	\$1,500	\$750
6/25/08	Rafael Chavez	\$1,500	\$0
7/11/08	Victor Velazco Loera	\$1,500	\$0
7/14/08	Diana Flores	\$1,500	\$0
unknown	Susana Ramirez	\$1,500	\$0

15.

Respondent CASTANEDA, while working for or with Respondent MARQUEZ, performed some or all of the loan negotiation and modification services for borrower Susana Ramirez. Respondents CASTANEDA and MII entered into an agreement with borrower Susana Ramirez to perform loan negotiation and modification services for Mrs. Ramirez and charged Mrs. Ramirez an advance fee of \$1,500 for those services.

16.

The conduct, acts and/or omissions of Respondents MII MARQUEZ, and CASTANEDA, as set forth in Paragraphs 7 through 15 above, in collecting advance fees from prospective borrowers pursuant to written fee agreements, which agreements were not submitted to the Department for review prior to use, was in violation of Code Sections 10085, 10085.5 and Regulation 2970 of Title 10, Chapter 6, California Code of Regulations

1 (Regulations"), and constitutes grounds to discipline the
2 licenses and license rights of Respondents MII, MARQUEZ, and
3 CASTANEDA pursuant to Code Sections 10177(d), 10176(i), 10177(j)
4 and/or 10177(g).

5
6 SECOND CAUSE OF ACCUSATION:

7 (Employment or Compensation for Unlicensed Activities)
8 (Dishonest Dealing)
9 (MII and MARQUEZ)

10 17.

11 There is hereby incorporated in this second, separate
12 Cause of Accusation, all of the allegations contained in
13 Paragraphs 2 through 16 above, with the same force and effect as
14 if herein fully set forth.

15 18.

16 Julio C. Hernandez, aka Julio Hernandez is not now,
17 and has never been, licensed by the Department in any capacity.

18 Angelica Estrella Nuñez Transaction

19 19.

20 In or around June 2, 2008, borrower Angelica Estrella
21 Nuñez received a door-to-door solicitation in Spanish from Julio
22 C. Hernandez, aka Julio Hernandez. Julio Hernandez presented
23 himself as an agent of Respondent MARQUEZ and "Golden California
24 Realty & Mortgage". Julio Hernandez gave Mrs. Nuñez a business
25 card where he is listed as a loan consultant for Golden
26 California Realty & Mortgage and which has the mailing and main
27 office address of Respondent MARQUEZ at 9190 Sierra Avenue,
Suite 206, Fontana, California. Julio Hernandez informed Mrs.

1 Nuñez that Respondent MARQUEZ and Golden California Realty &
2 Mortgage knew who were the distressed borrowers in the area and
3 offered to assist Mrs. Nuñez in modifying the terms of her
4 mortgage on her residential property located in the city of
5 Fontana, California.

6 20.

7 Mrs. Nuñez went to Respondent MARQUEZ' office and met
8 with Julio Hernandez and Respondent MARQUEZ. Mrs. Nuñez was
9 interested in lowering her monthly payments on the mortgage of
10 her home. Respondent MARQUEZ and Julio Hernandez offered to
11 help Mrs. Nuñez by negotiating with her lender to reduce the
12 interest rate, principle, and monthly mortgage payments.
13 Respondent MARQUEZ solicited loan negotiations and modification
14 services to Mrs. Nuñez and informed her that the process could
15 take up to three years. Respondent MARQUEZ instructed Mrs.
16 Nuñez to pay an advance fee of \$1,600. Respondent MARQUEZ also
17 informed Mrs. Nuñez that she would have to pay an additional
18 \$860 on a monthly basis while they negotiated a modification of
19 her loan. Mrs. Nuñez was to pay \$100 directly to Julio
20 Hernandez and wire the remaining \$760 to a person named William
21 Harris. Respondent MARQUEZ and Julio Hernandez never explained
22 to Mrs. Nuñez the reasons why the monthly payments needed to be
23 paid in that form or what the terms of Respondent MARQUEZ' loan
24 negotiation, modification or refinance services actually were.

25 21.

26 Respondent MARQUEZ and Julio Hernandez induced Mrs.
27 Nuñez to sign an agreement with an unknown and unlicensed

1 company, "Timelender, LLP." This agreement called for payment
2 of an advance fee of \$760 and monthly payments of the same
3 amount for services to stop foreclosure proceedings on Mrs.
4 Nuñez' real property. The agreement also instructed Mrs. Nuñez,
5 the borrower, to cease all contact with her lender(s). Mrs.
6 Nuñez relied on Respondent MARQUEZ' representations and trusted
7 that Respondent MARQUEZ and Julio Hernandez would refinance or
8 renegotiate the terms of her mortgage and would lower her
9 interest and principle as promised. Respondent MARQUEZ failed
10 to perform the services promised or to obtain a loan for Mrs.
11 Nuñez on more favorable terms.

12 22.

13 On June 2, 2008, Respondent MARQUEZ instructed Mrs.
14 Nuñez to sign a Grant Deed conveying one (1) percent of her
15 property to Veronica Hartman. Mrs. Nuñez never met Veronica
16 Hartman and did not know who she was. Respondent MARQUEZ
17 notarized the Grant Deed.

18 23.

19 On July 31, 2008, Respondent MARQUEZ and Julio
20 Hernandez instructed Mrs. Nuñez that she would need to sign a
21 Grant Deed conveying one (1) percent of her property to Patricia
22 Hecker. Mrs. Nuñez never met Patricia Hecker and did not know
23 who she was. Erika E. Samaniego notarized the Grant Deed.

24 24.

25 On October 2, 2008, Respondent MARQUEZ and Julio
26 Hernandez instructed Mrs. Nuñez that she would need to sign a
27 Grant Deed conveying one (1) percent of her property to Jeannine

1 Sabot. Mrs. Nuñez never met Jeannine Sabot and did not know who
2 she was. Mrs. Nuñez refused to sign the Grant Deed when she
3 noticed that notary Erika E. Samaniego's stamp notarizing Mrs.
4 Nuñez' signature was already on the blank Grant Deed.

5 25.

6 For approximately five months, Mrs. Nuñez paid \$860 on
7 a monthly basis as instructed by Respondent MARQUEZ and Julio
8 Hernandez. Respondent MARQUEZ and Julio Hernandez failed to
9 perform the services promised or to obtain a loan for Mrs. Nuñez
10 on more favorable terms. On or about November 1, 2008, Mrs.
11 Nuñez received a Notice to Vacate her home from her lender.
12 Mrs. Nuñez and her husband went to see Respondent MARQUEZ at his
13 office. Respondent MARQUEZ refused to speak with them. Julio
14 Hernandez instructed them to continue paying the monthly \$860
15 despite the Notice to Vacate. Mrs. Nuñez demanded a refund of
16 all the monies she had thus far paid Respondent MARQUEZ and
17 Julio Hernandez which totaled \$5,900. Respondent MARQUEZ and
18 Julio Hernandez refused to refund any of the monies paid by Mrs.
19 Nuñez.

20 26.

21 On November 11, 2008, Mrs. Nuñez filed a Licensee
22 Complaint with the Department against Respondent MARQUEZ, Golden
23 California Realty & Mortgage, and Julio Hernandez. On or about
24 February 9, 2009, the Department mailed letters of inquiry to
25 Respondent MARQUEZ regarding his involvement with the
26 transaction of Mrs. Nuñez' real property. On or about May 13,
27 2009, Julio Hernandez gave Mrs. Nuñez a cashier's check for

1 \$3,753.99. On or about June 8, 2009, Julio Hernandez gave Mrs.
2 Nuñez a cashier's check for \$1,246.00. Mrs. Nuñez received a
3 total of \$4,999 from Julio Hernandez. Mrs. Nuñez never received
4 the remaining \$901 of the fees she paid to Respondent MARQUEZ
5 and Julio Hernandez.

6 27.

7 In relation to the loan negotiation and modification
8 transactions set forth in Paragraphs 9 through 15 and 18 through
9 26 above, Respondents MII and MARQUEZ utilized employees and/or
10 representatives in soliciting and negotiating loans who were not
11 licensed by the Department as real estate brokers or as
12 salespersons operating under Respondent MII's or MARQUEZ' real
13 estate broker license. Among the unlicensed representatives
14 performing activities requiring a real estate license was Julio
15 C. Hernandez.

16 28.

17 The conduct, acts and/or omissions of Respondents MII
18 and MARQUEZ, as set forth in Paragraphs 9 through 15 and 18
19 through 26 above, in employing or compensating representatives
20 for performing activities requiring a real estate license
21 constitutes grounds to revoke the real estate licenses and/or
22 license rights of Respondents MII and MARQUEZ pursuant to Code
23 Sections 10137, 10177(d), 10177(g), 10176(i) and/or 10177(j).

24 29.

25 The conduct, acts and/or omissions of making false
26 promises and/or misleading representations in order to induce
27 reliance of borrowers, and in otherwise misleading borrowers

1 into conveying an interest in their real property to others and
2 advising borrowers to forego payments to and/or communications
3 with their lender resulting in detriment to the borrowers, as
4 set forth in Paragraphs 18 through 26 above, constitutes grounds
5 to discipline the licenses and/or license rights of Respondent
6 MARQUEZ pursuant to Code Sections 10176(a), 10176(b), 10176(c),
7 10176(i) and/or 10177(j).

8
9 THIRD CAUSE OF ACCUSATION

10 (Use of Unauthorized Fictitious Business Name)
11 (MII and MARQUEZ)

12 30.

13 There is hereby incorporated in this third, separate
14 and distinct Cause of Accusation, all of the allegations
15 contained in Paragraphs 1 through 29, with the same force and
16 effect as if herein fully set forth.

17 31.

18 At all times herein mentioned, Respondents MII and
19 MARQUEZ used fictitious business names "Golden California Realty
20 & Mortgage" and/or "Timelender, LLP" for activities requiring
21 the issuance of a real estate license without filing an
22 application for the use of such names with the Department as
23 required by the provisions of Code Section 10159.5 and Section
24 2731(a) of the Regulations.

25 ///

26 ///

27 ///

///

1 32.

2 The conduct, acts and/or omissions of Respondents MII
3 and MARQUEZ, as set forth in Paragraphs 10, and 18 through 26
4 above, violate Code Section 10159.5 and Section 2731(a) of the
5 Regulations, and are cause for the suspension or revocation of
6 the licenses and license rights of Respondents pursuant to Code
7 Sections 10177(d) and/or 10177(g).

8
9 FOURTH CAUSE OF ACCUSATION
10 (Failure to Supervise)
11 (MARQUEZ)

12 33.

13 There is hereby incorporated in this fourth, separate
14 and distinct Cause of Accusation, all of the allegations
15 contained in Paragraphs 1 through 32, with the same force and
16 effect as if herein fully set forth.

17 34.

18 The conduct, acts and/or omissions of Respondent
19 MARQUEZ, in failing to exercise reasonable supervision over the
20 activities of officers and employees of MII for which a real
21 estate license was required, was in violation of Code Section
22 10159.2 and constitutes grounds to discipline the licenses and
23 license rights of Respondent MARQUEZ pursuant to Code Sections
24 10177(h), 10177(d) and 10177(g).

25 ///

26 ///

27 ///

///

FIFTH CAUSE OF ACCUSATION
(AUDIT)

35.

There is hereby incorporated in this fifth, separate and distinct Cause of Accusation, all of the allegations contained in Paragraphs 1 through 34, with the same force and effect as if herein fully set forth.

36.

On or about October 21, 2009, the Department completed an examination of the books and records of Respondent MII, pertaining to the real estate and trust fund handling activities described in Paragraphs 9 through 27, above, covering a period from approximately January 1, 2008 through October 15, 2008, which examination revealed violations of the Code and Regulations as set forth below, and more extensively set forth in working papers and Audit Report Number LA 090077.

37.

In the course of activities described in Paragraphs 9 through 27, above, and during the examination period described in Paragraph 36, Respondent MII acted in violation of the Code and the Regulations in that:

(a) MII failed to maintain a trust account for its mortgage loan broker activity during the audit period, in violation of Code Section 10145 and Regulation 2832;

(b) MII received trust funds and failed to maintain a complete columnar record for the Trust Account, in violation of Code Section 10145 and Regulation 2831;

1 (c) MII failed to maintain separate beneficiary
2 records for the General Account, in violation of Code Section
3 10145 and Regulation 2831.1;

4 (d) MII failed to maintain the monthly reconciliation
5 of all the separate records to the control record of the trust
6 funds received and disbursed in connection with the loan
7 modification activity during the audit period, in violation of
8 Code Section 10145 and Regulation 2831.2;

9 (e) MII failed to deposit advance fees for loan
10 modification services collected from principals into a trust
11 account, instead deposited the advance fees into Respondent's
12 general business account, in violation of Code Section 10146;

13 (f) MII failed to deposit trust funds into a trust
14 account. Instead, Respondent deposited trust funds into the
15 General Account and commingled the trust funds with MII's own
16 funds, in violation of Code Sections 10145 and 10176(e) and
17 Regulation 2832;

18 (g) MII collected advance fees within the meaning of
19 Code Section 10026 from homeowners seeking loan modification
20 services wherein Respondent failed to provide homeowner-
21 borrowers, a pre-approved advance fee agreement from the
22 Department in the form of a no objection letter, in violation of
23 Code Section 10085 and Regulation 2970.

24 (h) MII collected advance fees from principals
25 including, but not limited to, those principals named in
26 Paragraphs 9 through 27 above, for loan modification services
27 and did not maintain and provide an accounting to the principals

1 showing the services rendered, identification of the trust
2 account into which the advance fees had been deposited, and
3 details of how the funds were disbursed, in violation of
4 Regulation 2972.

5 (i) MII failed to disclose the yield spread
6 premium/rebate paid by the lender on the Mortgage Loan
7 Disclosure Statement (MLDS) in five (5) out of the six (6) loan
8 package files examined, in violation of Code Section 10240 and
9 Regulation 2840.

10 (j) MII failed to disclose its corporate license
11 number on the Mortgage Loan Disclosure Statement (MLDS) it
12 provided in each of the six (6) loan package files examined, in
13 violation of Code Section 10236.4.

14 Disciplinary Statutes

15 38.

16 The conduct of Respondents MII and MARQUEZ described
17 in Paragraph 37, above, violated the Code and the Regulations as
18 set forth below:

19

20 PARAGRAPH	PROVISIONS VIOLATED
21 37(a)	Code Section 10145 and Regulation 2832
22 37(b)	Code Section 10145 and Regulation 2831
23 37(c)	Code Section 10145 and Regulation 2831.1
24 37(d)	Code Sections 10085 and Regulation 2831.2
25 37(e)	Code Section 10146

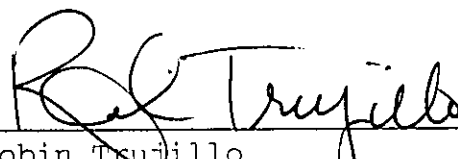
26
27

The overall conduct of Respondent MARQUEZ constitutes a failure on Respondent's part, as officer designated by a corporate broker licensee, to exercise the reasonable supervision and control over the licensed activities of MII, as required by Code Section 10159.2, and to keep MII in compliance with the Real Estate Law, with specific regard to loan modifications services and advance fee handling, requiring a real estate license and is cause for the suspension or revocation of the real estate license and license rights of MII and MARQUEZ pursuant to the provisions of Code Sections 10177(d), 10177(g) and 10177(h).

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 of Respondents MARQUEZ INVESTMENTS, INC., MANUEL MARQUEZ, individually and as designated broker-officer of Marquez Investments, Inc., and PAULO SERGIO CASTANEDA, under the Real Estate Law and for such other and further relief as may be proper under other applicable provisions of law.

Dated at Los Angeles, California

this 21 day of July, 2010.


Robin Trujillo
Deputy Real Estate Commissioner

cc: Marquez Investments, Inc.

Manuel Marquez

Paulo Castaneda

Frank M. Buda, Esq.

Michael O. Collins, Esq.

OAH

Robin Trujillo

Zacky Wanis

Sacto.

FILED

APR 15 2010

DEPARTMENT OF REAL ESTATE

BY: C. J. [Signature]

LISSETE GARCIA, Counsel (SBN 211552)
Department of Real Estate
320 West 4th Street, Suite 350
Los Angeles, California 90013-1105

Telephone: (213) 576-6982
(Direct) (213) 576-6914

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of)	No. H- 36580 LA
MARQUEZ INVESTMENTS, INC.;)	<u>A C C U S A T I O N</u>
MANUEL MARQUEZ, individually)	
and as designated broker-)	
officer of Marquez Investments,)	
Inc.; and)	
PAULO SERGIO CASTANEDA,)	
Respondents.)	

The Complainant, Robin Trujillo, a Deputy Real Estate Commissioner, for cause of Accusation against MARQUEZ INVESTMENTS, INC., MANUEL MARQUEZ, individually and as designated broker-officer of Marquez Investments, Inc., and PAULO SERGIO CASTANEDA, is informed and alleges as follows:

1.

The Complainant, Robin Trujillo, a Deputy Real Estate Commissioner of the State of California, makes this Accusation

1 in her official capacity.

2 2.

3 At all times herein mentioned, Respondent MARQUEZ
4 INVESTMENTS, INC. ("MII"), was and still is licensed and/or has
5 license rights under the Real Estate Law (Part 1 of Division 4
6 of the Business and Professions Code) as a corporate real estate
7 broker. Respondent MII was originally licensed by the
8 Department of Real Estate ("Department") as a corporate real
9 estate broker on or about January 18, 2007. Respondent MII is
10 licensed to do business as "Golden California Mortgage" and
11 "Golden California Realty".

12 3.

13 At all times relevant herein, Respondent MII was
14 authorized to act by and through Respondent MANUEL MARQUEZ
15 ("MARQUEZ") as its broker designated pursuant to Business and
16 Professions Code ("Code") Section 10159.2 to be responsible for
17 ensuring compliance with the Real Estate Law. Respondent
18 MARQUEZ' designation as the broker-officer of Respondent MII was
19 canceled as of October 15, 2008.

20 4.

21 At all times herein mentioned, Respondent MII is and
22 was a California corporation. Respondent MARQUEZ is the owner,
23 President and CEO of MII. At all times relevant herein,
24 Respondent MARQUEZ has owned or controlled more than 10% of
25 Respondent MII's stock.

26 5.

27 At all times herein mentioned, Respondent MARQUEZ was

1 and is licensed and/or has license rights under the Code,
2 individually, as a real estate broker. Respondent MARQUEZ was
3 first licensed as a real estate broker on or about December 17,
4 2002. Beginning on or about January 18, 2007, through October
5 15, 2008, Respondent MANUEL MARQUEZ was the designated broker-
6 officer of Respondent MII.

7 6.

8 From December 13, 2007, to the present, Respondent
9 MARQUEZ is and has been the designated officer of Golden
10 California Mortgage Corp. Golden California Mortgage Corp. was
11 and still is licensed and/or has license rights under the Real
12 Estate Law (Part 1 of Division 4 of the Code) as a corporate
13 real estate broker since December 13, 2007.

14 7.

15 From on or about April 23, 2007, until July 21, 2009,
16 Respondent PAULO SERGIO CASTANEDA, also known as Paul Castaneda,
17 was licensed and/or had license rights under the Code as a real
18 estate salesperson. From on or about March 27, 2008, until July
19 22, 2009, Respondent CASTANEDA was licensed as a real estate
20 salesperson under the employ of Golden California Mortgage Corp.
21 On July 23, 2009, Respondent Castaneda was licensed by the
22 Department as a real estate broker.

23 8.

24 All further references to "Respondents" include the
25 parties listed in Paragraphs 1 through 7 above, as well as the
26 employees, agents and real estate licensees employed by or
27 associated with each Respondent, who at all times material

1 herein were engaged in the furtherance of the business or
2 operations of Respondents, and who were acting within the course
3 and scope of their authority, agency or employment.

4 FIRST CAUSE OF ACCUSATION:
5 (Advance Fee Violations)
6 (MII, MARQUEZ, and CASTANEDA)

7 9.

8 During a period of time from approximately February
9 28, 2008, and continuing through July, 2008, Respondents engaged
10 in the business of, acted in the capacity of, advertised or
11 assumed to act as real estate brokers in the State of
12 California, within the meaning of Code Sections 10131(d) and
13 10131.2, for or in expectation of compensation. Respondents
14 represented borrowers in negotiating and modifying terms and
15 obtaining mortgage loans, and collected advance fees within the
16 meaning of Code Sections 10026 and 10131.2, pursuant to written
17 agreements which constituted advance fee agreements within the
18 meaning of Code Section 10085. Respondents failed to submit
19 these advance fee agreements to the Commissioner before using
20 them.

21 10.

22 On or about February 28, 2008, Respondents MII and
23 MARQUEZ collected an advance fee from Gilbert and Juanita Guzman
24 for performance of loan negotiations and modification services.
25 The Guzmans' lender served a Notice of Intent to Foreclose on
26 their real property on November 5, 2007. Respondents MII and
27 MARQUEZ attempted to circumvent the existing statutes and

1 regulations that prohibited the charging of advance fees by
2 titling their agreement as an "Agreement for Research and
3 Analysis" along with a separate "Agreement for Negotiations."
4 Pursuant to the terms of those agreements, Respondents MII and
5 MARQUEZ agreed to negotiate the terms of a residential mortgage
6 loan on behalf of the Guzmans. Respondents' agreements called
7 for the Guzmans to pay Respondents an advance fee in the amount
8 of \$1,500. The Guzmans paid \$1,000 of the advance fee to
9 "Golden California Mortgage and Realty" per Respondents'
10 instructions. Respondents MII and MARQUEZ failed to perform the
11 services promised or to obtain a loan for Mr. Garcia on more
12 favorable terms.

13 11.

14 In or around January, 2009, Mr. Guzman demanded a
15 refund of the \$1,000 advance fee paid to Respondents.
16 Respondent MARQUEZ refunded \$250 of the Guzmans' money. In or
17 around April, 2009, Mr. Guzman made another demand for the
18 remaining \$750 of the advance fee paid to Respondents.
19 Thereafter, Respondent MARQUEZ refunded the \$750 to the Guzmans.

20 12.

21 The written agreements between Respondents MII and
22 MARQUEZ and the Guzmans were not submitted to or reviewed by the
23 Department prior to use.

24 13.

25 On or about July 28, 2008, Respondents MII and MARQUEZ
26 collected an advance fee from Armando Garcia for performance of
27 loan negotiation and modification services. Mr. Garcia's lender

1 served a Notice of Default on July 17, 2008. Mr. Garcia paid an
2 advance fee in the amount of \$1,500 to MII. Respondents MII and
3 MARQUEZ failed to perform the services promised or to obtain a
4 loan for Mr. Garcia on more favorable terms. Upon learning that
5 Respondents were prohibited from charging or collecting advance
6 fees for loan negotiation and modification services, Mr. Garcia
7 demanded a refund of the \$1,500 advance fee he paid to
8 Respondents. On or about January 2, 2009, Respondent MARQUEZ
9 refunded \$900 to Mr. Garcia. Respondents refused to refund the
10 remaining \$600 of the advance fee paid by Mr. Garcia.

11 14.

12 Additional examples of advance fees from borrowers
13 that Respondents collected for the purpose of providing loan
14 negotiations and modifications during the period of time between
15 February 28, 2008 and July 28, 2008, include but are not limited
16 to, the following transactions:

17	Date		Amount	Amount
18	Amount	Borrower	Charged or	Respondents
19	Received		Collected	Claim to Have
				Refunded
20	3/27/08	Delia Beltran Chamu	\$1,500	\$0
21	6/01/08	Alicia Rios	\$1,500	\$750
22	6/25/08	Rafael Chavez	\$1,500	\$0
23	7/11/08	Victor Velazco Loera	\$1,500	\$0
24	7/14/08	Diana Flores	\$1,500	\$0
25	unknown	Susana Ramirez	\$1,500	\$0
26				
27				

15.

Respondent CASTANEDA, while working for or with Respondent MARQUEZ, performed some or all of the loan negotiation and modification services for borrower Susana Ramirez. Respondents CASTANEDA and MII entered into an agreement with borrower Susana Ramirez to perform loan negotiation and modification services for Mrs. Ramirez and charged Mrs. Ramirez an advance fee of \$1,500 for those services.

16.

The conduct, acts and/or omissions of Respondents MII MARQUEZ, and CASTANEDA, as set forth in Paragraphs 7 through 15 above, in collecting advance fees from prospective borrowers pursuant to written fee agreements, which agreements were not submitted to the Department for review prior to use, was in violation of Code Sections 10085, 10085.5 and Regulation 2970 of Title 10, Chapter 6, California Code of Regulations (Regulations"), and constitutes grounds to discipline the licenses and license rights of Respondents MII, MARQUEZ, and CASTANEDA pursuant to Code Sections 10177(d), 10176(i), 10177(j) and/or 10177(g).

SECOND CAUSE OF ACCUSATION:

(Employment or Compensation for Unlicensed Activities)
(Dishonest Dealing)
(MII and MARQUEZ)

17.

There is hereby incorporated in this second, separate

1 Cause of Accusation, all of the allegations contained in
2 Paragraphs 2 though 16 above, with the same force and effect as
3 if herein fully set forth.

4 18.

5 Julio C. Hernandez, aka Julio Hernandez is not now, and has
6 never been, licensed by the Department in any capacity.

7 Angelica Estrella Nuñez Transaction

8 19.

9 In or around June 2, 2008, borrower Angelica Estrella
10 Nuñez received a door-to-door solicitation in Spanish from Julio
11 C. Hernandez, aka Julio Hernandez. Julio Hernandez presented
12 himself as an agent of Respondent MARQUEZ and "Golden California
13 Realty & Mortgage". Julio Hernandez gave Mrs. Nuñez a business
14 card where he is listed as a loan consultant for Golden
15 California Realty & Mortgage and which has the mailing and main
16 office address of Respondent MARQUEZ at 9190 Sierra Avenue,
17 Suite 206, Fontana, California. Julio Hernandez informed Mrs.
18 Nuñez that Respondent MARQUEZ and Golden California Realty &
19 Mortgage knew who were the distressed borrowers in the area and
20 offered to assist Mrs. Nuñez in modifying the terms of her
21 mortgage on her residential property located at 17445 Owen
22 Street, Fontana, California.

23 20.

24 Mrs. Nuñez went to Respondent MARQUEZ' office and met
25 with Julio Hernandez and Respondent MARQUEZ. Mrs. Nuñez was
26 interested in lowering her monthly payments on the mortgage of
27 her home. Respondent MARQUEZ and Julio Hernandez offered to

1 help Mrs. Nuñez by negotiating with her lender to reduce the
2 interest rate, principle, and monthly mortgage payments.
3 Respondent MARQUEZ solicited loan negotiations and modification
4 services to Mrs. Nuñez and informed her that the process could
5 take up to three years. Respondent MARQUEZ instructed Mrs.
6 Nuñez to pay an advance fee of \$1,600. Respondent MARQUEZ also
7 informed Mrs. Nuñez that she would have to pay an additional
8 \$860 on a monthly basis while they negotiated a modification of
9 her loan. Mrs. Nuñez was to pay \$100 directly to Julio
10 Hernandez and wire the remaining \$760 to a person named William
11 Harris. Respondent MARQUEZ and Julio Hernandez never explained
12 to Mrs. Nuñez the reasons why the monthly payments needed to be
13 paid in that form or what the terms of Respondent MARQUEZ' loan
14 negotiation, modification or refinance services actually were.

15 21.

16 Respondent MARQUEZ and Julio Hernandez induced Mrs.
17 Nuñez to sign an agreement with an unknown and unlicensed
18 company, "Timelender, LLP." This agreement called for payment
19 of an advance fee of \$760 and monthly payments of the same
20 amount for services to stop foreclosure proceedings on Mrs.
21 Nuñez' real property. The agreement also instructed Mrs. Nuñez,
22 the borrower, to cease all contact with her lender(s). Mrs.
23 Nuñez relied on Respondent MARQUEZ' representations and trusted
24 that Respondent MARQUEZ and Julio Hernandez would refinance or
25 renegotiate the terms of her mortgage and would lower her
26 interest and principle as promised. Respondent MARQUEZ failed
27 to perform the services promised or to obtain a loan for Mrs.

1 Nuñez on more favorable terms.

2 22.

3 On June 2, 2008, Respondent MARQUEZ instructed Mrs.
4 Nuñez to sign a Grant Deed conveying one (1) percent of her
5 property to Veronica Hartman. Mrs. Nuñez never met Veronica
6 Hartman and did not know who she was. Respondent MARQUEZ
7 notarized the Grant Deed.

8 23.

9 On July 31, 2008, Respondent MARQUEZ and Julio
10 Hernandez instructed Mrs. Nuñez that she would need to sign a
11 Grant Deed conveying one (1) percent of her property to Patricia
12 Hecker. Mrs. Nuñez never met Patricia Hecker and did not know
13 who she was. Erika E. Samaniego notarized the Grant Deed.

14 24.

15 On October 2, 2008, Respondent MARQUEZ and Julio
16 Hernandez instructed Mrs. Nuñez that she would need to sign a
17 Grant Deed conveying one (1) percent of her property to Jeannine
18 Sabot. Mrs. Nuñez never met Jeannine Sabot and did not know who
19 she was. Mrs. Nuñez refused to sign the Grant Deed when she
20 noticed that notary Erika E. Samaniego's stamp notarizing Mrs.
21 Nuñez' signature was already on the blank Grant Deed.

22 25.

23 For approximately five months, Mrs. Nuñez paid \$860 on
24 a monthly basis as instructed by Respondent MARQUEZ and Julio
25 Hernandez. Respondent MARQUEZ and Julio Hernandez failed to
26 perform the services promised or to obtain a loan for Mrs. Nuñez
27 on more favorable terms. On or about November 1, 2008, Mrs.

1 Nuñez received a Notice to Vacate her home from her lender.
2 Mrs. Nuñez and her husband went to see Respondent MARQUEZ at his
3 office. Respondent MARQUEZ refused to speak with them. Julio
4 Hernandez instructed them to continue paying the monthly \$860
5 despite the Notice to Vacate. Mrs. Nuñez demanded a refund of
6 all the monies she had thus far paid Respondent MARQUEZ and
7 Julio Hernandez which totaled \$5,900. Respondent MARQUEZ and
8 Julio Hernandez refused to refund any of the monies paid by Mrs.
9 Nuñez.

10 26.

11 On November 11, 2008, Mrs. Nuñez filed a Licensee
12 Complaint with the Department against Respondent MARQUEZ, Golden
13 California Realty & Mortgage, and Julio Hernandez. On or about
14 February 9, 2009, the Department mailed letters of inquiry to
15 Respondent MARQUEZ regarding his involvement with the
16 transaction of Mrs. Nuñez' real property. On or about May 13,
17 2009, Julio Hernandez gave Mrs. Nuñez a cashier's check for
18 \$3,753.99. On or about June 8, 2009, Julio Hernandez gave Mrs.
19 Nuñez a cashier's check for \$1,246.00. Mrs. Nuñez received a
20 total of \$4,999 from Julio Hernandez. Mrs. Nuñez never received
21 the remaining \$901 of the fees she paid to Respondent MARQUEZ
22 and Julio Hernandez.

23 27.

24 In relation to the loan negotiation and modification
25 transactions set forth in Paragraphs 9 through 15 and 18 through
26 26 above, Respondents MII and MARQUEZ utilized employees and/or
27 representatives in soliciting and negotiating loans who were not

1 licensed by the Department as real estate brokers or as
2 salesperson operating under Respondent MII's or MARQUEZ' real
3 estate broker license. Among the unlicensed representatives
4 performing activities requiring a real estate license was Julio
5 C. Hernandez.

6 28.

7 The conduct, acts and/or omissions of Respondents MII
8 and MARQUEZ, as set forth in Paragraphs 9 through 15 and 18
9 through 26 above, in employing or compensating representatives
10 for performing activities requiring a real estate license
11 constitutes grounds to revoke the real estate licenses and/or
12 license rights of Respondents MII and MARQUEZ pursuant to Code
13 Sections 10137, 10177(d), 10177(g), 10176(i) and/or 10177(j).

14 29.

15 The conduct, acts and/or omissions of making false
16 promises and/or misleading representations in order to induce
17 reliance of borrowers, and in otherwise misleading borrowers
18 into conveying an interest in their real property to others and
19 advising borrowers to forego payments to and/or communications
20 with their lender resulting in detriment to the borrowers, as
21 set forth in Paragraphs 18 through 26 above, constitutes grounds
22 to discipline the licenses and/or license rights of Respondent
23 MARQUEZ pursuant to Code Sections 10176(a), 10176(b), 10176(c),
24 10176(i) and/or 10177(j).

25 ///

26 ///

27 ///

THIRD CAUSE OF ACCUSATION

(Use of Unauthorized Fictitious Business Name)
(MII and MARQUEZ)

30.

There is hereby incorporated in this third, separate and distinct Cause of Accusation, all of the allegations contained in Paragraphs 1 through 29, with the same force and effect as if herein fully set forth.

31.

At all times herein mentioned, Respondents MII and MARQUEZ used fictitious business names "Golden California Realty & Mortgage" and/or "Timelender, LLP" for activities requiring the issuance of a real estate license without filing an application for the use of such names with the Department as required by the provisions of Section 10159.5 of the Code and Section 2731(a) of Title 10, Chapter 6, California Code of Regulations ("Regulations").

32.

The conduct, acts and/or omissions of Respondents MII and MARQUEZ, as set forth in Paragraphs 10 and 18 through 26 above, violate Section 10159.5 of the Code and Section 2731(a) of the Regulations, and are cause for the suspension or revocation of the licenses and license rights of Respondents pursuant to Sections 10177(d) and/or 10177(g) of the Code.

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FOURTH CAUSE OF ACCUSATION
(Failure to Supervise)
(MARQUEZ)

33.

There is hereby incorporated in this fourth, separate and distinct Cause of Accusation, all of the allegations contained in Paragraphs 1 through 32, with the same force and effect as if herein fully set forth.

34.

The conduct, acts and/or omissions of Respondent MARQUEZ, in failing to exercise reasonable supervision over the activities of officers and employees of MII for which a real estate license was required, was in violation of Code Section 10159.2 and constitutes grounds to discipline the licenses and license rights of Respondent MARQUEZ pursuant to Code Sections 10177(h), 10177(d) and 10177(g).

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1 WHEREFORE, Complainant prays that a hearing be
2 conducted on the allegations of this Accusation and that upon
3 proof thereof, a decision be rendered imposing disciplinary
4 action against all licenses and/or license rights of Respondents
5 MARQUEZ INVESTMENTS, INC., MANUEL MARQUEZ, individually and as
6 designated broker-officer of Marquez Investments, Inc., and
7 PAULO SERGIO CASTANEDA, under the Real Estate Law and for such
8 other and further relief as may be proper under other applicable
9 provisions of law.

10 Dated at Los Angeles, California
11 this 14 day of April, 2010.

12
13 
14 Robin Trujillo
15 Deputy Real Estate Commissioner
16
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18
19
20
21

22 cc: Marquez Investments, Inc.
23 Manuel Marquez
24 Paulo Castaneda
25 Robin Trujillo
26 Sacto.
27