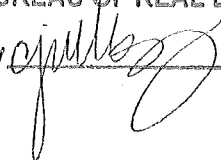


FILED

AUG 31 2015

BUREAU OF REAL ESTATE

By 

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7  
8 BEFORE THE BUREAU OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of ) CALBRE No. H-39956 LA  
 )  
12 UNIVERSAL EXECUTIVE GROUP, INC., )  
JESUS HERNANDEZ, individually and as ) ACCUSATION  
13 designated officer of Universal Executive )  
Group, Inc., and DANIEL ARRIAZA, )  
14 Respondents. )  
15 )

16 The Complainant, Maria Suarez, a Supervising Special Investigator for the Bureau of  
17 Real Estate ("Bureau") for the State of California, for cause of Accusation against UNIVERSAL  
18 EXECUTIVE GROUP, INC., JESUS HERNANDEZ, individually and as designated officer of  
19 Universal Executive Group, Inc., and DANIEL ARRIAZA (collectively "Respondents"), is  
20 informed and alleges as follows:

21 1.

22 The Complainant, Maria Suarez, a Supervising Special Investigator for the Bureau,  
23 makes this Accusation in her official capacity.  
24

1 2.

2 All references to the "Code" are to the California Business and Professions Code and all  
3 references to "Regulations" are to the Regulations of the Real Estate Commissioner, Title 10,  
4 Chapter 6, California Code of Regulations.

5 3.

6 Respondents are presently licensed and/or have license rights under the Real Estate Law  
7 (Part 1 of Division 4 of the California Business and Professions Code).

8 4.

9 From July 1, 2002, through the present, Respondent UNIVERSAL EXECUTIVE  
10 GROUP, INC. ("UEGI") has been licensed by the Bureau as a real estate corporation, License ID  
11 01342039. Respondent UEGI is licensed to do business under the fictitious business name,  
12 International Real Estate Services, among others. At all times herein mentioned, Respondent  
13 UEGI was licensed as a real estate corporation, acting by and through Respondent JESUS  
14 HERNANDEZ as its designated broker-officer. Respondent UEGI has a mortgage loan  
15 originator ("MLO") license endorsement, NMLS ID 237337.

16 5.

17 From October 30, 2001, through the present, Respondent JESUS HERNANDEZ  
18 ("HERNANDEZ") has been licensed by the Bureau as a real estate broker, License ID  
19 01178669. Respondent HERNANDEZ was previously licensed as a real estate salesperson from  
20 approximately March 30, 1994 to October 29, 2001. At all times relevant herein, Respondent  
21 HERNANDEZ was licensed as a real estate broker and as the broker-officer of Respondent  
22 UEGI. As the officer designated by Respondent UEGI pursuant to Code Section 10211,  
23 Respondent HERNANDEZ was responsible for the supervision and control of the activities  
24

1 conducted on behalf of Respondent UEGI by its officers and employees as necessary to secure  
2 full compliance with Real Estate Law as set forth in Code Section 10159.2 and Regulation 2725.

3 6.

4 From March 18, 2004 to the present, Respondent DANIEL ARRIAZA (“ARRIAZA”)  
5 has been licensed by the Bureau as a real estate salesperson, License ID 1424439. ARRIAZA’s  
6 employing broker from June 23, 2009 to the present has been UEGI. Respondent ARRIAZA has  
7 a MLO license endorsement, NMLS ID 240159.

8 7.

9 From April 7, 2005 to the present, Roxana Cecilia Solis (“Solis”) has been licensed by  
10 the Bureau as a real estate salesperson, License ID 01488001. Solis’s employing broker from  
11 March 22, 2010 to April 22, 2015 was UEGI.

12 8.

13 From January 1, 2012 through November 20, 2014, Maria G. De La Cruz, aka Maria De  
14 La Cruz, and Darlene Gomez were not licensed by the Bureau as either real estate brokers or  
15 salespersons under the employment of Respondents UEGI or HERNANDEZ.

16 9.

17 Prosperity Escrow, Inc. has never been licensed in any capacity by the Bureau or the  
18 California Department of Business Oversight. Maria De La Cruz is the agent for service of  
19 process for Prosperity Escrow. Prosperity Escrow, Inc.’s corporate status has been suspended by  
20 the Franchise Tax Board.

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1 CAUSES OF ACTION

2 (Fraud/Dishonest Dealing)

3 10.

4 On or about March 17, 2012, Respondent HERNANDEZ, while acting as the listing  
5 agent for property owner-R.O.<sup>1</sup>, listed a residential property located at 3441 E. 4<sup>th</sup> St., Los  
6 Angeles, California 90063 (“subject property”), for a listing price of \$199,999 on the Multiple  
7 Listing Service. International Real Estate Services is noted as the listing office on the listing.  
8 The sale was subject to short sale lender approval.

9 11.

10 On or about March 20, 2012, prospective buyer S.E. paid a \$5,000 deposit to Prosperity  
11 Escrow, Inc. for the purchase of the subject property. Maria De La Cruz provided S.E. with  
12 receipt no. 238 from Prosperity Escrow, Inc. for receipt of \$5,000. The subject property is listed  
13 on the receipt. Maria G. De La Cruz is listed as the Escrow Officer on the receipt for escrow no.  
14 259-MGD.

15 12.

16 On or about March 23, 2012, buyer S.E. executed a residential purchase agreement to  
17 purchase the subject property for \$195,000, which included an initial deposit of \$5,000. UEGI is  
18 listed as the selling broker, Solis is listed as the selling agent, International Real Estate Services  
19 is listed as the listing broker, and Respondent HERNANDEZ is listed as the listing agent on the  
20 residential purchase agreement. S.E. did not deal with Solis concerning the short sale purchase  
21 of the subject property. S.E. dealt primarily with Maria De La Cruz and/or HERNANDEZ. In  
22

23 <sup>1</sup> Initials are used in place of individuals’ full names to protect their privacy. Documents containing the persons’ full  
24 names will be provided during the discovery phase of this case to Respondents and/or their attorneys, after service of  
a timely and proper request for discovery on Complainant’s counsel.

1 response to a request from the Bureau for copies of Respondents' transaction file for the sale of  
2 the subject property, Respondents UEGI and HERNANDEZ provided copies of the residential  
3 purchase agreement dated March 23, 2012, and related documents which were not signed by  
4 Solis and/or HERNANDEZ.

5 13.

6 On or about February 22, 2013, buyer S.E. executed a second residential purchase  
7 agreement to purchase the subject property for \$190,000, which included a deposit of \$5,000.  
8 International Real Estate Services is listed as the selling broker, ARRIAZA is listed as the selling  
9 agent, International Real Estate Services is listed as the listing broker, and Respondent  
10 HERNANDEZ is listed as the listing agent on the residential purchase agreement. S.E. did not  
11 deal with ARRIAZA concerning the short sale purchase of the subject property. S.E. dealt  
12 primarily with Maria De La Cruz and/or HERNANDEZ. In response to a request from the  
13 Bureau for copies of Respondents' transaction file for the sale of the subject property,  
14 Respondents UEGI and HERNANDEZ provided copies of the residential purchase agreement  
15 dated February 22, 2013, on which the name of the selling agent had been redacted from the  
16 bottom of the first page of the purchase agreement.

17 14.

18 On or about February 26, 2013, S.E. was instructed to write a check no. 1728 made  
19 payable to IRES Escrow Div. for the sum of \$5,000, for the purchase of the subject property.  
20 S.E. was provided with an "Escrow Trust Account Receipt" dated March 22, 2013. The  
21 letterhead of IRES Escrow Division, a Non-Independent Broker Escrow, is on the receipt. The  
22 receipt no. is 3072. The escrow no. listed on the receipt is 1102799. The officer listed on the  
23 receipt is "D.G." The subject property is listed on the receipt. The payment is described as an  
24

1 “initial deposit” on the receipt. The payment was received in the form of a check. A copy of  
2 S.E.’s check is copied onto the receipt.

3 15.

4 On or about November 15, 2013, S.E. paid an additional \$2,850 to International Real  
5 Estate Services. S.E. was provided with an “Escrow Trust Account Receipt” with the letterhead  
6 of IRES Escrow Division, a Non-Independent Broker Escrow on the receipt no. 3078. The  
7 escrow no. listed on the receipt is 1102799. The officer listed on the receipt is “D.G.” The  
8 subject property is listed on the receipt. The payment is described as an “initial deposit” on the  
9 receipt. The payment was received in cash.

10 16.

11 On or about June 23, 2014, the buyer and seller signed amended escrow instructions to  
12 cancel the sale of the subject property. According to the amended escrow instructions, the  
13 deposit balance of \$5,000 was paid to the seller, R.O., by International Real Estate Services.

14 17.

15 On June 23, 2014, the Bureau received a complaint against Respondents from S.E.  
16 alleging, inter alia, that Respondents failed to refund \$4,850 that he had paid for the purchase of  
17 the subject property. S.E. paid the sums to Maria De La Cruz and/or Respondents with the  
18 understanding that the funds would be held in escrow and would be applied toward the purchase  
19 of the subject property. Maria De La Cruz and Respondent HERNANDEZ induced S.E. to  
20 purchase the subject property based on their representations and advice. S.E. believed that Maria  
21 De La Cruz was acting as S.E.’s agent and was employed by or acting in association with  
22 Respondent HERNANDEZ, who was S.E.’s broker for the purchase of the subject property.

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1 18.

2 On or about October 29, 2014, a special investigator for the Bureau sent a letter of  
3 inquiry to Respondents UEGI and HERNANDEZ regarding S.E.'s complaint. The special  
4 investigator requested a copy of Respondents' full, purchase transaction and escrow file(s)  
5 maintained by Respondents pursuant to Code section 10148.

6 19.

7 On November 14, 2014, title to the subject property was transferred from J.O. to R.O.  
8 based on an intra-family transfer & dissolution with no consideration. Also, on November 14,  
9 2014, a grant deed was recorded in the County of Los Angeles transferring title of the subject  
10 property from R.O. to S.E. The sales price listed for the subject property was \$225,000, with a  
11 \$213,750 new conventional loan.

12 20.

13 On November 19, 2014, in response to the Bureau's inquiry, HERNANDEZ executed a  
14 declaration explaining his version of events concerning S.E.'s complaint. HERNANDEZ  
15 claimed that Maria De La Cruz was negotiating the tax liens encumbering the subject property  
16 which extended the duration of the short sale of the subject property. HERNANDEZ also  
17 claimed that Maria De La Cruz defrauded S.E.

18 21.

19 On or about November 20, 2014, S.E. paid an additional deposit of \$2,000 to Prosperity  
20 Escrow, Inc. Maria De La Cruz provided S.E. with receipt no. 239 from Prosperity Escrow, Inc.  
21 for receipt of \$2,000. The subject property is listed on the receipt. Maria G. De La Cruz is listed  
22 as the escrow officer on the receipt for escrow no. 259-MGD. S.E. received receipts of payments  
23 totaling \$14,850 for the purchase of the subject property.  
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22.

Respondents failed to retain a complete, executed copy of the purchase transaction and/or escrow file documents for the subject property as required under Code section 10148.

23.

The conduct, acts and/or omissions of Respondents UEGI and HERNANDEZ as set forth above in Paragraphs 10 through 22, are in violation of Regulations 2950 and 2951 (broker handled escrow, record keeping and fund handling) and Code sections 10145(a)(1) (trust fund handling) and 10148, which constitute cause for the suspension or revocation of the mortgage loan originator license endorsements, real estate licenses, and license rights of Respondents UEGI and HERNANDEZ pursuant to Code Sections Code Sections Code sections 10177(d) (violation of the Real Estate Law) and/or 10177(g) (negligence);10166.051, subdivisions (a)(violation of Article 2.1 or any rules or regulations adopted hereunder) and (b) (failure to meet requirements of Code section 10166.05(c)); and Regulation 2945.1 (effect of license discipline on mortgage loan originator endorsement).

24.

The conduct, acts and/or omissions of Respondents UEGI and HERNANDEZ as set forth above in Paragraphs 10 through 22, in employing or compensating Propensity Escrow, Inc., Maria De La Cruz, and/or Darlene Gomez for performing acts which require a real estate license, are in violation of Code section 10137, which constitutes cause for the suspension or revocation of the mortgage loan originator license endorsements, real estate licenses, and license rights of Respondents UEGI and HERNANDEZ pursuant to Code Sections Code Sections Code sections 10177(d) and/or 10177(g);10166.051, subdivisions (a) and (b); and Regulation 2945.1.

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1 25.

2 Respondents' conduct, acts and/or omissions as set forth above in Paragraphs 9 through  
3 22, constitute grounds for the suspension or revocation of all licenses and license rights of  
4 Respondents UEGI, HERNANDEZ, and ARRIAZA pursuant to Code Sections 10176(a)  
5 (making any substantial misrepresentation), 10176(b) (making any false promises of a character  
6 likely to influence, persuade or induce), 10176(c) (continued and flagrant course of  
7 misrepresentation or making false promises) and/or 10176(i) (conduct...which constitutes fraud  
8 or dishonest dealing), 10166.051, subdivisions (a)(violation of Article 2.1 or any rules or  
9 regulations adopted hereunder) and (b) (failure to meet requirements of Code section  
10 10166.05(c)), and Regulation 2945.1 (effect of license discipline on mortgage loan originator  
11 endorsement).

12 26.

13 The conduct, acts and/or omissions of Respondent HERNANDEZ as set forth above in  
14 Paragraphs 9 through 22, in allowing UEGI and/or ARRIAZA to violate the Real Estate Law, as  
15 set forth above, constitutes a failure by Respondent HERNANDEZ to exercise the supervision  
16 and control over the activities of Respondents UEGI and/or ARRIAZA as required by Code  
17 Section 10159.2 and Regulation 2725, and are cause to suspend or revoke the real estate license  
18 and license rights of Respondent HERNANDEZ under Code Sections 10177(h), 10177(d),  
19 and/or 10177(g).

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

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 UNIVERSAL EXECUTIVE GROUP, INC., JESUS HERNANDEZ, individually and as designated officer of Universal Executive Group, Inc., and DANIEL ARRIAZA under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code), for the cost of investigation and enforcement as permitted by law, and for such other and further relief as may be proper under other provisions of law.

Dated at Los Angeles, California this 21<sup>st</sup> day of August, 2015.

  
MARIA SUAREZ  
Supervising Special Investigator

cc: Universal Executive Group, Inc.  
Jesus Hernandez  
Daniel Arriaza  
Maria Suarez  
Sacto