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FILED

JUN 20 2017

BUREAU OF REAL ESTATE

By *John C. Garcia*

8 BEFORE THE BUREAU OF REAL ESTATE
9 DEPARTMENT OF CONSUMER AFFAIRS
10 STATE OF CALIFORNIA

11 * * *

12 In the Matter of the Accusation against

CALBRE No. H-40680 LA

13 LA LIFE REALTY, INC.,
FRANCISCO OLIVERIO PORRAS,
14 JESSI A. CHAVEZ, individually and as designated
officer of LA Life Realty, Inc.,
15 ILEANE H. GAXIOLA,
1st CLASS INVESTMENTS & REALTY, INC.,
16 and JUAN RENE VILLANUEVA, individually
and as designated officer of 1st Class Investments &
17 Realty, Inc.,

ACCUSATION

18 Respondents.

19
20 The Complainant, Maria Suarez, a Supervising Special Investigator for the Bureau of Real
21 Estate ("Bureau") of the State of California, for cause of Accusation against LA LIFE REALTY,
22 INC., FRANCISCO OLIVERIO PORRAS, JESSI A. CHAVEZ, individually and as designated
23 officer of LA LIFE REALTY, INC., ILEANE H. GAXIOLA, 1st CLASS INVESTMENTS &
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1 REALTY, INC., and JUAN RENE VILLANUEVA, individually and as designated officer of 1st
2 Class Investments & Realty, Inc. (collectively "Respondents"), is informed and alleges as
3 follows:

4 1.

5 The Complainant, Maria Suarez, a Supervising Special Investigator of the State of
6 California, makes this Accusation in her official capacity.

7 2.

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

10 3.

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

13 4.

14 From December 13, 2016 through the present, Respondent LA LIFE REALTY, INC.
15 ("LALRI") has been licensed by the Bureau as a real estate corporation, License ID 01527099.

16 5.

17 From November 13, 2007 through the present, Respondent FRANCISCO OLIVERIO
18 PORRAS ("F. PORRAS") has been licensed by the Bureau as a real estate salesperson, License
19 ID 01822825.

20 6.

21 From February 8, 2010 through the present, Respondent JESSI A. CHAVEZ
22 ("CHAVEZ") has been licensed by the Bureau as a real estate broker, License ID 01427628.

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1 7.

2 From February 24, 2005 through the present, Respondent ILEANE H. GAXIOLA,
3 ("GAXIOLA") has been licensed by the Bureau as a real estate broker, License ID 01081179.
4 At all times relevant herein, GAXIOLA was licensed to do business as Dynamic Team Realty.

5 8.

6 F. PORRAS was licensed under the employment of broker GAXIOLA from May 30,
7 2013 through October 16, 2014. F. PORRAS was licensed under the employment of broker
8 Escala Realty Group (License ID 01875094) from November 19, 2014 through April 13, 2015.
9 F. PORRAS has been licensed under the employment of broker CHAVEZ from May 8, 2015
10 through the present.

11 9.

12 From December 13, 2016 through the present, Respondent LALRI has been licensed as a
13 real estate corporation, acting by and through Respondent CHAVEZ as its designated broker-
14 officer. As the broker-officer designated by Respondent LALRI pursuant to Section 10211 of
15 the Code, CHAVEZ is responsible for the supervision and control of the activities conducted on
16 behalf of Respondent LALRI, by its officers and employees, as necessary to secure full
17 compliance with Real Estate Law as set forth in Code Section 10159.2 and Regulation 2725.

18 11.

19 Yesenia Marisol Porras ("Y. Porras") has never been licensed in any capacity by the
20 Bureau. Y. Porras is the spouse of F. PORRAS.

21 12.

22 LALRI is a California corporation formed on or about September 19, 2014. According to
23 a Statement of Information filed on April 4, 2017 with the Secretary of State for the State of
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1 California, CHAVEZ is the Secretary for LALRI. F. PORRAS is the Chief Financial Officer for
2 LALRI. Y. Porras, is the Chief Executive Officer of LALRI. The principal business address
3 listed for LALRI is: 7803 Telegraph Road, Suite D, Montebello, California 90640.

4 13.

5 From May 28, 2013 through the present, Respondent 1st CLASS INVESTMENTS &
6 REALTY, INC. ("1st CLASS INVESTMENTS") has been licensed by the Bureau as a real estate
7 corporation, License ID 01934000.

8 14.

9 From February 8, 2010 through the present, Respondent JUAN RENE VILLANUEVA
10 ("VILLANUEVA") has been licensed by the Bureau as a real estate broker, License ID
11 01202041. VILLANUEVA has been licensed to do business as 1st Class Investments and Realty
12 since May 17, 2005.

13 15.

14 From May 28, 2013 through the present, Respondent 1st Class Investments has been
15 licensed as a real estate corporation, acting by and through Respondent VILLANUEVA as its
16 designated broker-officer. As the broker-officer designated by Respondent 1ST Class
17 Investments pursuant to Section 10211 of the Code, VILLANUEVA is responsible for the
18 supervision and control of the activities conducted on behalf of Respondent 1ST Class
19 Investments, by its officers and employees, as necessary to secure full compliance with Real
20 Estate Law as set forth in Code Section 10159.2 and Regulation 2725.

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1 24.

2 Omega Escrow Corp. is owned and operated by VILLANUEVA. Omega Escrow Corp.
3 used the business address 7332 Florence Ave. Suite J., Downey, California 90240 at all times
4 relevant herein.

5 25.

6 On June 26, 2014, escrow officer Rosie Nunez prepared Supplemental Escrow
7 Instructions ("escrow instructions") for the Estella property for Escrow No. 1927-RN. The
8 escrow instructions were provided to the seller and F. PORRAS. The escrow instructions noted
9 that Omega Escrow Corp. is licensed by the Department of Corporations [now known as the
10 Department of Business Oversight] with License No. 9632147. The escrow instructions failed to
11 disclose that VILLANUEVA had an ownership interest in Omega Escrow Corp.

12 26.

13 VILLANUEVA provided a Disclosure Regarding Real Estate Agency Relationship to the
14 buyer and seller which noted that VILLANUEVA and 1ST Class Investments represented buyer
15 H.F. VILLANUEVA and 1ST CLASS INVESTMENTS failed to provide a written disclosure
16 that VILLANUEVA had an interest in Omega Escrow Corp.

17 27.

18 On July 18, 2014, Omega Escrow Corp. prepared Commission Instructions for the Estella
19 property. The Commission Instructions noted that Dynamic Team Realty and F. PORRAS were
20 to receive a commission of \$6,150.00 from the sale of the Estella property. F. PORRAS signed
21 the escrow instructions. The Commission Instructions were not signed by a broker for Dynamic
22 Team Realty. VILLANUEVA signed the Commission Instructions on behalf of 1ST CLASS
23 INVESTMENTS.

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Omega Escrow Corp. Escrow No. 1927-RN closed on August 4, 2014.

29.

Respondent GAXIOLA claims that she was not aware of the Estrella property transaction and that F. PORRAS engaged in the transaction without her knowledge or supervision.

Respondent GAXIOLA further claims that the commission due to Dynamic Team Realty for the Estrella property transaction was paid directly to F. PORRAS by Omega Escrow Corp.

30.

Respondent GAXIOLA additionally claims that F. PORRAS was terminated by Dynamic Realty on October 14, 2014 for violations of the Real Estate Law. Respondent GAXIOLA failed to notify the Bureau of F. PORRAS' termination as required under Code section 10178.

31.

The conduct, acts and/or omissions of Respondent F. PORRAS as described above in Paragraphs 21 through 30, are in violation of Code Sections 10130, 10137, and 10139, and constitute cause for the suspension or revocation of all real estate licenses and license rights of Respondent F. PORRAS under the provisions of Code Sections 10176(a), 10177(d), 10177(j), and/or 10177(g).

32.

The conduct, acts and/or omissions of Respondents 1st CLASS INVESTMENTS and VILLANUEVA as described above in Paragraphs 21 through 30, in failing to provide a written disclosure of his interest in Omega Escrow Corp. constitutes cause for the suspension or revocation of all real estate licenses and license rights of Respondents 1st CLASS INVESTMENTS and VILLANUEVA under the provisions of Code Sections 10176(a),

1 10176(g), 10177(d), and/or 10177(g).

2 33.

3 The conduct, acts and/or omissions of Respondent GAXIOLA as described above in
4 Paragraphs 21 through 30, in failing to provide a written notice of Respondent F. PORRAS'
5 termination for cause by Dynamic Team Realty is a violation of Code section 10178 and
6 constitutes cause for the suspension or revocation of all real estate licenses and license rights of
7 Respondent GAXIOLA under the provisions of Code Sections 10177(d), and/or 10177(g).

8 THIRD CAUSE OF ACCUSATION

9 (F. PORRAS and GAXIOLA)

10 34.

11 There is hereby incorporated in this Third separate and distinct Cause of Accusation, all
12 of the allegations contained in Paragraphs 1 through 33 with the same force and effect as if
13 herein fully set forth.

14 35.

15 On or about October 22, 2013, Respondent F. PORRAS entered into an exclusive
16 residential listing agreement with C.B. and E.B. ("sellers") for the short sale of C.B. and E.B.'s
17 real property located at 867 N. Workman St., San Fernando, California 91340 ("Workman
18 property"). Dynamic Team Realty was listed as the broker for the sellers on the listing
19 agreement. A notice of default and notice of trustee's sale was recorded against the Workman
20 property in or around September of 2013.

21 36.

22 On or about November 13, 2013, Respondent F. PORRAS presented an offer from buyer
23 A.M. to purchase the Workman property. F. PORRAS prepared a California Residential
24

1 Purchase Agreement which noted F. PORRAS as the agent and Dynamic Team Realty as the
2 broker for both the buyer and sellers.

3 37.

4 The sellers accepted A.M.'s offer to purchase the Workman property and escrow was
5 opened with Omega Escrow Corp. under Escrow No. 1936-RN.

6 38.

7 On June 24, 2014, Omega Escrow Corp. escrow officer Rosie Nunez prepared
8 Commission Instructions for the Workman property. The Commission Instructions noted that
9 Dynamic Team Realty and F. PORRAS were to receive a commission of \$15,000.00 from the
10 Workman property transaction. F. PORRAS signed the escrow instructions. The Commission
11 Instructions were not signed by a broker for Dynamic Team Realty.

12 39.

13 On July 16, 2014, escrow officer Rosie Nunez prepared an Amendment to Instructions
14 for the Workman property which noted that all six percent of commission due to Dynamic Team
15 Realty was to be credited to the buyer for closing costs. F. PORRAS signed the Amendment to
16 Instructions on behalf of Dynamic Team Realty.

17 40.

18 On July 16, 2014, escrow officer Rosie Nunez prepared another Amendment to
19 Instructions for the Workman property which noted that the sellers authorize their relocation
20 assistance payment to be credited to the buyer for funds to close. The sellers and buyer signed
21 the Amendment to Instructions.

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41.

Omega Escrow Corp. Escrow No. 1936-RN closed on August 5, 2014.

42.

Respondent GAXIOLA claims that she was not aware of the Workman property transaction and that F. PORRAS engaged in the transaction without her knowledge or supervision.

43.

Respondent GAXIOLA additionally claims that F. PORRAS was terminated by Dynamic Realty on October 14, 2014 for violations of the Real Estate Law. Respondent GAXIOLA failed to notify the Bureau of F. PORRAS' termination as required under Code section 10178.

44.

The conduct, acts and/or omissions of Respondent F. PORRAS as described above in Paragraphs 35 through 44, are in violation of Code Sections 10130, 10137, and 10139, and constitute cause for the suspension or revocation of all real estate licenses and license rights of Respondent F. PORRAS under the provisions of Code Sections 10176(a), 10177(d), 10177(j), and/or 10177(g).

45.

The conduct, acts and/or omissions of Respondent GAXIOLA as described above in Paragraphs 35 through 44, in failing to provide a written notice of Respondent F. PORRAS' termination for cause by Dynamic Team Realty is a violation of Code section 10178 and constitutes cause for the suspension or revocation of all real estate licenses and license rights of Respondent GAXIOLA under the provisions of Code Sections 10177(d), and/or 10177(g).

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1 FOURTH CAUSE OF ACCUSATION

2 (F. PORRAS and GAXIOLA)

3 46.

4 There is hereby incorporated in this Fourth separate and distinct Cause of Accusation, all
5 of the allegations contained in Paragraphs 1 through 45 with the same force and effect as if
6 herein fully set forth.

7 47.

8 On or about September 30, 2013, Respondent F. PORRAS entered into an exclusive
9 residential listing agreement with E.A. and M.A. ("sellers") for the short sale of E.A. and M.A.'s
10 real property located at 7819 Miramonte Blvd., Los Angeles, CA 90001 ("Miramonte
11 property"). Dynamic Team Realty, Inc. was listed as the broker for the sellers on the listing
12 agreement.

13 48.

14 On or about April 10, 2014, Respondent F. PORRAS induced the sellers to enter into a
15 California Residential Purchase Agreement with prospective buyers G.A. and M.A. for the sale
16 and purchase of the Miramonte property. F. PORRAS was the agent and Dynamic Team Realty,
17 Inc. was the broker for both the buyers and sellers.

18 49.

19 Escrow was opened with Omega Escrow Corp. under Escrow No. 1962-RN.

20 50.

21 On July 4, 2014, Omega Escrow Corp. prepared Commission Instructions for the
22 Miramonte property. The Commission Instructions noted that Dynamic Team Realty was to
23
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1 receive a total commission of \$10,140.00 from the Miramonte property transaction. The
2 Commission Instructions were not signed by a broker for Dynamic Team Realty.

3 51.

4 Omega Escrow Corp. Escrow No. 1962-RN closed on July 7, 2014.

5 52.

6 Respondent GAXIOLA claims that she was not aware of the Miramonte property
7 transaction and that F. PORRAS engaged in the Miramonte transaction without her knowledge or
8 supervision.

9 53.

10 Respondent GAXIOLA additionally claims that F. PORRAS was terminated by Dynamic
11 Realty on October 14, 2014 for violations of the Real Estate Law. Respondent GAXIOLA failed
12 to notify the Bureau of F. PORRAS' termination as required under Code section 10178.

13 54.

14 The conduct, acts and/or omissions of Respondent F. PORRAS as described above in
15 Paragraphs 47 through 53, are in violation of Code Sections 10130, 10137, and 10139, and
16 constitute cause for the suspension or revocation of all real estate licenses and license rights of
17 Respondent F. PORRAS under the provisions of Code Sections 10176(a), 10177(d), 10177(j),
18 and/or 10177(g).

19 55.

20 The conduct, acts and/or omissions of Respondent GAXIOLA as described above in
21 Paragraphs 47 through 53, in failing to provide a written notice of Respondent F. PORRAS'
22 termination for cause by Dynamic Team Realty is a violation of Code section 10178 and
23 constitutes cause for the suspension or revocation of all real estate licenses and license rights of
24

1 Respondent GAXIOLA under the provisions of Code Sections 10177(d), and/or 10177(g).

2 FIFTH CAUSE OF ACCUSATION

3 (F. PORRAS and LALRI)

4 56.

5 There is hereby incorporated in this Fifth separate and distinct Cause of Accusation, all of
6 the allegations contained in Paragraphs 1 through 55 with the same force and effect as if herein
7 fully set forth.

8 57.

9 From June of 2014 through May of 2015, F. PORRAS and Y. Porras, while doing
10 business as LALRI, and acting along with Ricardo Rodriguez Navarro, an unlicensed person,
11 offered to perform services that required a real estate license to borrower A.N. Said services
12 included loan modification, negotiating and obtaining a loan for the purchase of real property,
13 and negotiating the purchase of real property by A.N. F. PORRAS acted as an agent on behalf of
14 A.N. and induced A.N. to make offers to purchase real properties.

15 58.

16 On October 2, 2014, F. PORRAS presented an offer from A.N.'s relative, M.A., to
17 purchase a property located at 465 Cerro Vera Way, San Jacinto, California ("Cerra Way
18 property"). F.PORRAS, Y. PORRAS, and Ricardo Rodriguez Navarro, aka Ricardo R. Navarro
19 and Ricardo Navarro, collected an earnest money deposit from A.N. for the purchase of the Cerra
20 Way property. The seller accepted the offer but the transaction was cancelled on or about
21 January 24, 2015.

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59.

On May 7, 2015, F. PORRAS presented an offer from A.N.'s relative, M.A., to purchase a property located at 655 Wildrose Circle, San Jacinto, California.

60.

F. PORRAS advised or induced A.N.'s relative, M.A., to make offers to purchase other real properties located at: 1498 Burns Lane, San Jacinto, California and 1382 Lynden Trails, San Jacinto, California.

61.

F. PORRAS, Y. Porras, and Ricardo Rodriguez Navarro collected trust funds from A.N. which were intended to be used for the purchase of the properties listed above in Paragraphs 57 through 60. F.PORRAS, Y. PORRAS, and Ricardo Rodriguez Navarro collected trust funds totaling \$19,975.00 from A.N. related to the purchase of the real properties.

62.

Respondent F. PORRAS engaged in the acts described in Paragraphs 57 through 61 above, without the knowledge or supervision of his licensed employing broker and during a period of time when LALRI was not licensed by the Bureau, in violation of Code section 10130. The conduct, acts and/or omissions of Respondents F. PORRAS and LALRI, as described above in Paragraphs 57 through 61, are in violation of Code Sections 10130, 10137, 10139 and 10145, and constitute cause for the suspension or revocation of all real estate licenses and license rights of Respondents F. PORRAS and LALRI under the provisions of Code Sections 10176(a), 10177(d), 10177(j), and/or 10177(g).

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1 In Aggravation

2 63.

3 From on or about September 2013 through June of 2014, Respondent F. PORRAS was
4 licensed under the employment of Respondent GAXIOLA. According to Respondent
5 GAXIOLA, Respondent F. PORRAS engaged in activities related to the sale or purchase of the
6 following real properties for others without GAXIOLA's knowledge or supervision. 1) 3159
7 Sandstone Ct., Palmdale California; 2) 9360 Pico Vista Rd., Downey, California; 3) 3535 Garnet
8 St. Los Angeles, California; 4) 11629 Senwood St., Norwalk, California; and 5) 4097 Missouri
9 Flat Rd., Placerville, California.

10 64.

11 Omega Escrow Corp. handled the escrow for each of the transactions described above in
12 Paragraph 63. Respondent F. PORRAS collected commissions directly from Omega Escrow
13 Corp. in violation of Code sections 10130 and 10137.

14 Investigation and Enforcement Costs

15 65.

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

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1 WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this
2 Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action
3 against all licenses and/or license rights of Respondents LA LIFE REALTY, INC.,
4 FRANCISCO OLIVERIO PORRAS, JESSI A. CHAVEZ, individually and as designated officer
5 of LA LIFE REALTY, INC., ILEANE H. GAXIOLA, 1ST CLASS INVESTMENTS &
6 REALTY, INC., and JUAN RENE VILLANUEVA, individually and as designated officer of 1ST
7 Class Investments & Realty, Inc. under the Real Estate Law (Part 1 of Division 4 of the Business
8 and Professions Code), for the cost of investigation and enforcement as permitted by law, and for
9 such other and further relief as may be proper under other provisions of law.

10 Dated at Los Angeles, California this 14th day of June, 2017.

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13 
14 MARIA SUAREZ
15 Supervising Special Investigator

16
17 cc: LA Life Realty, Inc.
18 Francisco Oliverio Porras
19 Jessi A. Chavez
20 Ileana H. Gaxiola
21 1st Class Investments & Realty, Inc.
22 Juan Rene Villanueva
23 Maria Suarez
24 Sacto.