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FILED
DEC 14 2017
BUREAU OF REAL ESTATE
By 

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
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.,
18 Respondents.

CALBRE No. H-40680 LA
OAH No. 2017080310

FIRST AMENDED ACCUSATION

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20 This First Amended Accusation amends the Accusation filed on June 20, 2017. The
21 Complainant, Maria Suarez, a Supervising Special Investigator for the Bureau of Real Estate
22 ("Bureau") of the State of California, for cause of Accusation against LA LIFE REALTY, INC.,
23 FRANCISCO OLIVERIO PORRAS, JESSI A. CHAVEZ, individually and as designated officer
24

1 of LA LIFE REALTY, INC., ILEANE H. GAXIOLA, 1st CLASS INVESTMENTS &
2 REALTY, INC., and JUAN RENE VILLANUEVA, individually and as designated officer of 1st
3 Class Investments & Realty, Inc. (collectively "Respondents"), is informed and alleges as
4 follows:

5 1.

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

8 2.

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

11 3.

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

14 4.

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

17 5.

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

21 6.

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

24

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 Excala 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 10.

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 11.

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
24

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 12.

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 13.

9 From July 25, 2001 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 14.

14 From April 17, 2017 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. VILLANUEVA is the
21 President and Chief Executive Officer for 1ST CLASS INVESTMENTS.

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1 23.

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 24.

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 25.

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 26.

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.

1 27.

2 Omega Escrow Corp. Escrow No. 1927-RN closed on August 4, 2014. The Estella
3 property was sold through a short sale for \$205,000. The seller's lender was not advised that the
4 commission for Dynamic Team Realty was in fact paid to F. PORRAS, a salesperson.
5 Respondents VILLANUEVA and 1st CLASS INVESTMENTS failed to retain the documents in
6 connection with this transaction in violation of Code section 10148.

7 28.

8 Respondent GAXIOLA claims that she was not aware of the August 4, 2014, Estella
9 property transaction and that F. PORRAS engaged in the transaction without her knowledge or
10 supervision. Respondent GAXIOLA further claims that the commission due to Dynamic Team
11 Realty for the Estella property transaction was paid directly to F. PORRAS by Omega Escrow
12 Corp.

13 29.

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

17 30.

18 On or about October 20, 2014, buyer H.F. signed a Grant Deed giving title to the Estella
19 property to LALRI for no consideration. On May 21, 2015, LALRI resold the Estella property
20 for \$388,000. PORRAS and his employing broker at the time, Excala Realty Group received a
21 commission of \$9,700.

22 31.

23 The conduct, acts and/or omissions of Respondent F. PORRAS and LALRI as described
24

1 above in Paragraphs 20 through 30, constitute dishonest dealing or fraud, are in violation of
2 Code Sections 10130, 10137, and 10139, and are cause for the suspension or revocation of all
3 real estate licenses and license rights of Respondent F. PORRAS and LALRI under the
4 provisions of Code Sections 10176(a), 10177(d), 10177(j), and/or 10177(g).

5 32.

6 The conduct, acts and/or omissions of Respondents 1st CLASS INVESTMENTS and
7 VILLANUEVA as described above in Paragraphs 20 through 30, constitute dishonest dealing or
8 fraud, are in violation of Regulation 2950(h) and Code section 10148, and are cause for the
9 suspension or revocation of all real estate licenses and license rights of Respondents 1st CLASS
10 INVESTMENTS and VILLANUEVA under the provisions of Code Sections 10176(a),
11 10176(g), 10177(d), 10177(j), and/or 10177(g).

12 33.

13 The conduct, acts and/or omissions of Respondent GAXIOLA as described above in
14 Paragraphs 20 through 29, in failing to provide a written notice of Respondent F. PORRAS'
15 termination for cause by Dynamic Team Realty is a violation of Code section 10178 and
16 constitutes cause for the suspension or revocation of all real estate licenses and license rights of
17 Respondent GAXIOLA under the provisions of Code Sections 10177(d), and/or 10177(g).

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1 THIRD CAUSE OF ACCUSATION

2 (F. PORRAS, VILLANUEVA, 1st CLASS INVESTMENTS, and GAXIOLA)

3 (Workman property)

4 34.

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

8 35.

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

15 36.

16 On or about November 13, 2013, Respondent F. PORRAS presented an offer from buyer
17 A.M. to purchase the Workman property. F. PORRAS prepared a California Residential
18 Purchase Agreement which noted F. PORRAS as the agent and Dynamic Team Realty as the
19 broker for both the buyer and sellers.

20 37.

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

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38.

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

39.

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

40.

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

41.

Omega Escrow Corp. Escrow No. 1936-RN closed on August 5, 2014. The seller's lender was not advised of the changes to commission instructions made on behalf of Dynamic Team Realty by F. PORRAS, a salesperson. Respondent VILLANUEVA failed to retain the documents in connection with this transaction in violation of Code section 10148.

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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 Respondents F. PORRAS and VILLANUEVA, as described above in Paragraphs 35 through 43, constitute dishonest dealing or fraud, are in violation of Code Sections 10130, 10137, 10139 and 10148, and constitute cause for the suspension or revocation of all real estate licenses and license rights of Respondents F. PORRAS, VILLANUEVA, and 1ST CLASS INVESTMENTS 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 43, 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 Miramonte property. On July 4, 2014, Omega Escrow Corp. prepared Commission Instructions
2 for the Miramonte property. The Commission Instructions noted that Dynamic Team Realty was
3 to receive a total commission of \$10,140.00 from the Miramonte property transaction. The
4 Commission Instructions were not signed by a broker for Dynamic Team Realty. On or about
5 July 5, 2014, Respondents F. PORRAS and VILLANUEVA induced the sellers and buyers to
6 pay Omega Escrow \$7,000 through seven separate postal money orders for \$1,000 each, for the
7 short sale of the Miramonte property.

8 51.

9 Omega Escrow Corp. Escrow No. 1962-RN closed on July 7, 2014. Respondents
10 VILLANUEVA and F. PORRAS failed to produce copies of the transaction documents
11 reflecting the \$240,000 sale price of the Miramonte property to the Bureau. The final HUD
12 statement and transaction documents for the Miramonte property that were produced by
13 Respondents to the Bureau failed to disclose the payments made to Omega Escrow along with
14 other unlicensed entities for the short sale of the Miramonte property. Respondent
15 VILLANUEVA failed to retain the documents in connection with this transaction in violation of
16 Code section 10148.

17 52.

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

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1 53.

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

5 54.

6 The conduct, acts and/or omissions of Respondents F. PORRAS and VILLANUEVA,
7 as described above in Paragraphs 47 through 53, constitute dishonest dealing or fraud, are in
8 violation of Code Sections 10130, 10137, 10139, 10148, and Regulation 2950(h), and constitute
9 cause for the suspension or revocation of all real estate licenses and license rights of
10 Respondents F. PORRAS, VILLANUEVA, and 1ST CLASS INVESTMENTS under the
11 provisions of Code Sections 10176(a), 10176(g), 10177(d), 10177(j), and/or 10177(g).

12 55.

13 The conduct, acts and/or omissions of Respondent GAXIOLA as described above in
14 Paragraphs 47 through 53, in failing to provide a written notice of Respondent F. PORRAS'
15 termination for cause by Dynamic Team Realty is a violation of Code section 10178 and
16 constitutes cause for the suspension or revocation of all real estate licenses and license rights of
17 Respondent GAXIOLA under the provisions of Code Sections 10177(d), and/or 10177(g).

18 FIFTH CAUSE OF ACCUSATION

19 (F. PORRAS and LALRI)

20 56.

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

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57.

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

58.

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

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.

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1 61.

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

6 62.

7 Respondent F. PORRAS engaged in the acts described in Paragraphs 57 through 61
8 above, without the knowledge or supervision of his licensed employing broker and during a
9 period of time when LALRI was not licensed by the Bureau, in violation of Code section 10130.
10 The conduct, acts and/or omissions of Respondents F. PORRAS and LALRI, as described above
11 in Paragraphs 57 through 61, are in violation of Code Sections 10130, 10137, 10139 and 10145,
12 and constitute cause for the suspension or revocation of all real estate licenses and license rights
13 of Respondents F. PORRAS and LALRI under the provisions of Code Sections 10176(a),
14 10177(d), 10177(j), and/or 10177(g).

15 In Aggravation

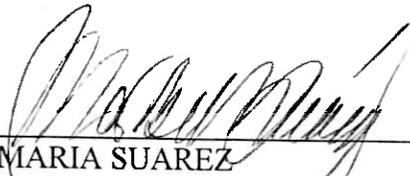
16 63.

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

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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 December, 2017.

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14 MARIA SUAREZ
Supervising Special Investigator

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