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1.

The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the State of California, makes this Accusation in her official capacity.

2.

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

3.

A. SARINANA, INC.: Respondent SARINANA, INC. is presently licensed and/or has license rights issued by the Department of Real Estate as a real estate corporate broker (license no. 01206776). SARINANA, INC. was originally licensed as a corporate real estate broker on May 24, 1996. From on or about August 20, 2014 to the present, D. SARINANA was and is the designated officer of SARINANA, INC. From on or about May 24, 1996 through the present, SARINANA, INC.'s fictitious business name has been "Century 21 A Better Service Realty."

B. DAVID SARINANA: Respondent D. SARINANA is presently licensed and/or has license rights issued by the Department of Real Estate as a real estate broker (license no. 00760251) of SARINANA, INC. D. SARINANA was originally licensed as a real estate broker on March 23, 1984.

C. ROMAN ARIEL MEZA: Respondent MEZA is presently licensed and/or has license rights issued by the Department of Real Estate as a real estate salesperson (license no. 01496369). On or about May 6, 2005, MEZA was originally licensed as a real estate salesperson, and has been so licensed since then. Also, MEZA's sponsoring broker the entire time period of licensure from on or about May 6, 2005 through the present has been SARINANA, INC.

D. CARLOS ALBERTO OTERO: Respondent OTERO is presently licensed and/or has license rights issued by the Department of Real Estate as a real estate

1 salesperson (license no. 01091488). OTERO was originally licensed as a real estate
2 salesperson on or about September 29, 1990. OTERO's sponsoring broker has been
3 SARINANA, INC. from April 17, 2008 through the present.

4 4.

5 Whenever acts referred to below are attributed to SARINANA, INC., those acts
6 are alleged to have been done by SARINANA, INC., acting by itself, or by and/or through one
7 or more agents, associates, affiliates, and/or co-conspirators, including, but not limited to D.
8 SARINANA, MEZA, and OTERO.

9 5.

10 Whenever acts referred to below are attributed to MEZA, those acts are alleged
11 to have been done by MEZA, acting by himself, or by and/or through one or more agents,
12 associates, affiliates, and/or co-conspirators, including but not limited to SARINANA, INC., D.
13 SARINANA, and OTERO.

14 6.

15 Whenever acts referred to below are attributed to OTERO, those acts are alleged
16 to have been done by OTERO, acting by himself, or by and/or through one or more agents,
17 associates, affiliates, and/or co-conspirators, including but not limited to SARINANA, INC., D.
18 SARINANA, and MEZA.

19
20 FIRST CAUSE OF ACCUSATION
21 (FRAUD AND DISHONEST DEALING, ETC.)

22 7.

23 Incorporated herein are Paragraphs 3 through 6, above.

24 8.

25 At all times mentioned herein, Rhema 12, LLC was and is owned by OTERO
26 and Nida Otero. OTERO is Rhema 12, LLC's chief executive officer, manager, and agent for
27 service of process. Nida Otero is Rhema 12, LLC's manager.

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9.

On or about December 22, 2004, H. Guerrero, Sr. ("Trustor") established the Guerrero Family Trust ("Trust"), which contained, in pertinent part, residential real property at 3544 Opal Street, Los Angeles, CA 90023 ("Residence") and liquid assets that amounted to about \$200,000 at the time of the Trustor's death. The Trust's only beneficiaries were the Trustor's children, E. Guerrero and H. Guerrero, Jr., and three (3) grandchildren (collectively "Beneficiaries"). The Trust states, in part, "It is the Trustor's express wishes that the [R]esidence continue to provide a place for his children and grandchildren to live as long as possible." It also provides, in part,

The [Residence] shall remain in the trust until the death of the Trustor's grandson, [C. Corrales], or the money in the trust designated for the maintenance and upkeep of the [Residence] is depleted, whichever occurs first. It is only in the event of one of the above-listed events occurring that the successor Trustee shall have the power to sell the house. After payment of all just debts and expenses incurred from the sale fo [sic] the [Residence], the proceeds shall be divided between the grandchildren of the Trustor in equal shares, free from trust...

10.

On or about May 3, 2005, the Trustor passed away. As a result, the Trust became irrevocable, and Ce. Guerrero ("Trustee") became the trustee of the Trust.¹ The Trustee is the mother and grandmother of the Trust's beneficiaries.

11.

From many years prior to Trustor's death to after the sale of the Residence in April 2017, E. Guerrero and two grandchildren, all of whom are Beneficiaries to the Trust, lived at the Residence. During at least part of that time, H. Guerrero, Jr. also lived at the Residence.

¹ The Trustee is not now, and has never been, a beneficiary to the Trust. Also, the Trustee only lived in the Residence briefly many years prior to the Trustor's death on May 3, 2005.

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12.

From at least the time of the Trustor's death on May 3, 2005 until the sale of the Residence in April 2017, the only major debt and/or bill paid for the maintenance and upkeep of the Residence was the property tax, which was approximately \$600 per year. Also, there was no mortgage on the Residence, and the utilities were paid directly by the occupants of the Residence.

13.

In April 2017 and May 2017, the fair market value of the Residence was approximately \$390,000.

14.

In or about April 2017, the Trustee received and responded to a marketing letter sent out by MEZA offering cash for properties. The Trustee informed MEZA that she was in dire need of money, and wanted to sell the Residence, which was in the Trust to which she was the Trustee but not a beneficiary. The Trustee provided MEZA a copy of the Trust, so he was aware of the contents therein, including, but not limited to, the fact that the Trustee did not have unilateral authority to sell the Residence, the Beneficiaries had an interest in the Residence, and the Trust was irrevocable. At that time or soon thereafter, the Trustor retained SARINANA, INC. through MEZA to serve as her agent in the sale of the Residence.

15.

Respondents SARINANA, INC., D. SARINANA, MEZA, and OTERO knew and/or should have known that the Residence was in the Trust, and that the Trustee did not have the authority to sell the Residence. Respondents also knew and/or should have known that the sale of the Residence for at least \$100,000 below market value was not to the Beneficiaries' benefit.

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1 16.

2 At no time prior to June 23, 2017 did Respondents SARINANA, INC., D.
3 SARINANA, MEZA, and/or OTERO enter and/or inspect the Residence. Respondents knew
4 that at least some of the Beneficiaries lived at the Residence, and an inspection would likely
5 alert them to the attempted sale.

6 17.

7 On or about April 24, 2017, Rhema 12, LLC, which was and is owned by
8 OTERO, made an offer of \$200,000 through its agent, SARINANA, INC. represented by
9 MEZA. Respondents SARINANA, INC., D. SARINANA, MEZA, and OTERO knew and/or
10 should have known \$200,000 was at least \$100,000 less than the Residence's fair market value.
11 SARINANA, INC. through MEZA was a dual agent in this transaction.

12 18.

13 SARINANA, INC. and MEZA provided various documents that contained
14 statement(s) they knew and/or should have known were untrue to help facilitate the sale and/or
15 loan process for the buyer, Rhema 12, LLC, which was and is owned by OTERO. These
16 documents include, but are not limited to:

- 17 • A Certification of Trust stating the Trust was revocable and the Trustee had the
18 power to sell and execute deeds;
- 19 • A Declaration/Affidavit dated April 28, 2017 stating, in part, that the people who
20 occupied the Residence "solely [occupied the Residence] to keep the [Residence]
21 from being vandalized; and
- 22 • City of Los Angeles Department of Building and Safety Report of Residential
23 Property Records Declarations Attachment stating, in part, that water conservation
24 devices, security lighting and locks, seismic gas shut-off valves, and smoke and
25 carbon monoxide detector will be installed prior to the close of escrow in
26 accordance with applicable municipal code sections.

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19.

In addition, on or about April 24, 2017, MEZA, signed a Los Angeles Department of Water and Power Certificate of Compliance attesting, in part,

BASED ON PERSONAL KNOWLEDGE, EACH WATER CLOSET, URINAL, AND SHOWERHEAD AT THE [the Residence] COMPLIES WITH THE REQUIREMENTS OF CITY ORDINANCE NO. 172075. ALL PROPERTIES MUST HAVE LOW-FLOW SHOWERHEADS. RESIDENTIAL PROPERTIES MUST HAVE ULTRA-LOW FLUSH TOILETS RIOR TO THE CLOSE OF ESCROW . . .

However, MEZA did not have personal knowledge because he never entered and/or inspected the Residence prior to the close of escrow on or about May 15, 2017.

20.

Respondents SARINANA, INC., D. SARINANA, MEZA, and/or OTERO did not inspect, repair, and/or install any devices, such as water conservation devices, seismic gas shut-off valve(s), smoke detectors, and carbon monoxide detectors, prior to the close of escrow on or about May 15, 2017, as required by the City of Los Angeles.

21.

On or about May 15, 2017, escrow closed,² and a Grant Deed was filed, thereby selling the Residence to Rhema 12, LLC for \$200,000. SARINANA, INC. and MEZA received approximately \$12,000 in commissions.

22.

On or about May 18, 2017, just three (3) days later, OTERO signed a Grant Deed conveying the Residence to Eagle Opportunity Investments, LLC ("EOIL"). On or about June 23, 2017, this Grant Deed was filed, thereby selling the Residence for \$305,000.

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² The escrow officer was Sonia Meza, MEZA's wife, of A Better Choice Escrow, Inc.

1 23.

2 On or about June 23, 2017, EOIL served a 60-day notice to quit on the
3 Beneficiaries who were occupying the Residence. About that time, which was approximately
4 two (2) months after the Trust no longer owned the Residence, the Beneficiaries first became
5 aware that there was any attempt to sell the Residence, and that it was indeed sold.

6 24.

7 The conduct, acts, and/or omissions of Respondents SARINANA, INC., D.
8 SARINANA, MEZA, and OTERO as described above constitute making substantial
9 misrepresentations and fraud and/or dishonest dealing, and are cause for the suspension or
10 revocation of all real estate licenses and license rights of Respondent under the provisions of
11 Code sections 10176(a), 10176(b), 10176(i), 10177(d), and 10177(g) and/or 10177(j).

12
13 SECOND CAUSE OF ACCUSATION

14 (BROKER SUPERVISION AND MISREPRESENTATION: SARINANA, INC. AND D.
15 SARINANA)

16 25.

17 Incorporated herein are Paragraphs 3 through 24, above.

18 26.

19 SARINANA, INC. and D. SARINANA has had previous license discipline in
20 DRE case nos. H-31548 LA and H-40847 LA based, in part, on their failure to supervise.

21 27.

22 In aggravation, on or about August 10, 2010, a Stipulation and Agreement, in
23 case no. H-31548 LA, was filed ordering a stayed suspension of the real estate licenses and
24 license rights of SARINANA, INC. and D. SARINANA pursuant to certain terms and
25 conditions based on SARINANA, INC.'s violations of Code sections 10145 and 10161.8 and
26 Regulations sections 2726, 2753, 2831, 2831.1, 2832.1, 2834, 2835, and 2951 and D.

1 SARINANA's violations of Code sections 10145, 10159.2, 10161.8, 10177(d), and 10177(h)
2 and Regulations sections 2726, 2753, 2831, 2831.1, 2832.1, and 2834.

3 28.

4 In aggravation, on or about November 6, 2017, an Accusation, in case no. H-
5 40847 LA, was filed against SARINANA, INC., D. SARINANA, N. Sanchez, and Annette
6 Leticia Sanchez ("A. Sanchez"). As more fully set forth in the Accusation, N. Sanchez and A.
7 Sanchez committed fraud in a short-sale transaction in 2017 by attempting to acquire real
8 property in a non-arms length transaction and altering document(s) submitted to the lender. On
9 or about September 24, 2018, N. Sanchez and A. Sanchez each voluntarily surrendered their
10 respective salesperson licenses in light of the pending Accusation against them. On or about
11 October 10, 2018, a Stipulation and Agreement was filed ordering a stayed suspension of the
12 real estate licenses and license rights of SARINANA, INC. and D. SARINANA pursuant to
13 certain terms and conditions based on SARINANA, INC.'s violations of Code section 10159.2
14 and Regulations section 2725 and D. SARINANA's violations of Code sections 10159.2 and
15 10177(h) and Regulations section 2725. SARINANA, INC. was N. Sanchez's supervising
16 broker from on or about January 7, 2013 to August 8, 2014 and December 11, 2014 until July
17 17, 2018.

18 29.

19 Through at least May 2018, despite knowing N. Sanchez allegedly committed
20 real estate fraud as stated in the Accusation in case no. H-40847 LA, SARINANA, INC. and D.
21 SARINANA continued to employ and delegate the supervision of the salespersons under
22 SARINANA, INC. to N. Sanchez.

23 30.

24 Based on the above facts, SARINANA, INC. did not exercise reasonable control
25 and supervision over the activities conducted by its employees and/or licensees, including, but
26 not limited to, MEZA, OTERO, and N. Sanchez, as necessary to secure full compliance with
27 real estate laws, which constitutes a breach of fiduciary duty with respect to its real estate

1 consumers and clientele, and that SARINANA, INC. demonstrates a continued and flagrant
2 course of misrepresentation and/or making of false promises through its licensees.

3 SARINANA, INC.'s conduct and violations are cause for the suspension or revocation of its
4 real estate license and license rights pursuant to Code sections 10176(c), 10176(g), and
5 10177(h) and Regulations section 2725.

6 31.

7 Based on the above facts, D. SARINANA did not exercise reasonable control
8 and supervision over the activities conducted by its employees and/or licensees, including, but
9 not limited to, SARINANA, INC., MEZA, OTERO, and N. Sanchez as necessary to secure full
10 compliance with real estate laws, which constitutes a breach of fiduciary duty with respect to its
11 real estate consumers and clientele, and that D. SARINANA demonstrates a continued and
12 flagrant course of misrepresentation and/or making of false promises through its licensees. D.
13 SARINANA's conduct and violations are cause for the suspension or revocation of his real
14 estate license and license rights pursuant to Code sections 10176(c), 10176(g), and 10177(h)
15 and Regulations section 2725.

16
17 COSTS

18 32.

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

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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 under the Real Estate Law (Part 1 of Division 4 of the California Business and Professions Code) of Respondents SARINANA, INC., DAVID SARINANA, individually and as designated officer of Sarinana, Inc., ROMAN ARIEL MEZA, and CARLOS ALBERTO OTERO for the cost of investigation and enforcement as permitted by law, and for such other and further relief as may be proper under applicable provisions of law.

Dated at San Diego, California: May 4, 2020.

V. Kilpatrick
Veronica Kilpatrick
Supervising Special Investigator

cc: Sarinana, Inc.
David Sarinana
Roman Ariel Meza
Carlos Alberto Otero
Veronica Kilpatrick
Sacto.