

**STATE OF CALIFORNIA  
BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY  
DEPARTMENT OF BUSINESS OVERSIGHT**

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TO: Francisco Plascencia Esparza  
Esparza Real Estate, Inc.  
10247 Bellegrave Avenue, Suite 121  
Jurupa Valley, California 91752

**DESIST AND REFRAIN ORDER  
(For violations of Corporations Code section 25401)**

The Commissioner of Business Oversight (Commissioner) finds that:

1. Esparza Real Estate, Inc., was incorporated in California on October 3, 2009, with a business address of 10247 Bellegrave Avenue, Suite 121, Jurupa Valley, California 91752.
2. Francisco Plascencia Esparza (Esparza) is an individual that owned and operated Esparza Real Estate, Inc. out of Jurupa Valley, Tustin and Mira Loma, California.
3. On July 17, 2018, the United States District Court entered a judgment and commitment order, sentencing Esparza to 78 months in prison for defrauding 70 investors out of more than \$12 million, pursuant to Esparza’s guilty plea to one count of wire fraud in violation of Title 18, United States Code, section 1343. J. and Probation/Commitment Order, *United States v. Esparza*, No. 8:17-cr-00084 (C.D. Cal. Jul. 17, 2018).
4. Esparza admits that as a part of his fraudulent scheme, starting in around 2009 and continuing through 2016 at Esparza Real Estate, Inc., Esparza solicited investments for the acquisition of residential properties in Orange County and Riverside County, California and elsewhere, promising investors a fixed rate of return. Esparza instead used later investor funds to pay back prior investors to whom he owed money and did not secure or acquire properties as promised. Esparza further misused investor funds for personal purposes, including the purchase of a home, vehicles, a \$100,000.00 wedding, and vacations. Esparza misrepresented to investors that he was a successful investor, failed to disclose that his prior business was in debt, and failed to disclose to investors that their money would be used to pay other investors to whom Esparza was in debt and for personal purposes. Plea Agreement, *United States v. Esparza*, No. 8:17-cr-00084 (C.D. Cal. Jul. 17, 2017).

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5. Corporations Code section 25401 provides in relevant part:

It is unlawful for any person to offer or sell a security in this state . . . by means of any written or oral communication that includes an untrue statement of a material fact or omits to state a material fact necessary to make the statements made, in the light of the circumstances under which the statements were made, not misleading.

Based on the foregoing, the Commissioner is of the opinion that Esparza offered or sold securities in California by means of written and oral communications including untrue statements of material facts and omissions of material facts necessary to make the statements not misleading, in violation of Corporations Code section 25401.

Pursuant to Corporations Code section 25532, Francisco Plascencia Esparza and the Esparza Real Estate, Inc. are hereby ordered to desist and refrain from offering or selling any security in the State of California, by means of any written or oral communication which includes an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

This Order is necessary, in the public interest, for the protection of investors and is consistent with the purposes, policies, and provisions of the Corporate Securities Law of 1968. This order shall remain in full force and effect until further order of the Commissioner.

Dated: October 30, 2018  
Los Angeles, California

JAN LYNN OWEN  
Commissioner of Business Oversight

By: \_\_\_\_\_  
MARY ANN SMITH  
Deputy Commissioner