

**BEFORE THE REAL ESTATE AGENCY
STATE OF OREGON**

IN THE MATTER OF:) **FINAL ORDER**
)
LEONEL CORIA) OAH Case No. 2024-ABC-06496
) Agency Case Nos. 2023-425, 2023-426, 2023-
) 628
)

This matter came before the Real Estate Agency to consider the proposed order issued by Administrative Law Judge (ALJ) Alison G. Webster, on December 11, 2024. The Proposed Order advised Mr. Coria of his right to file exceptions to the proposed order. Mr. Coria did not file exceptions to the proposed order within twenty (20) days of the issuance of the proposed order. The time to file exceptions to the Proposed Order has lapsed with no exceptions filed.

Based on the foregoing and as explained below, the Agency enters the following Final Order revoking Mr. Coria’s real estate broker license.

HISTORY OF THE CASE

On March 21, 2024, the Real Estate Agency (Agency or REA) issued a Notice of Intent to Revoke License to Leonel R. Coria (Licensee), proposing to revoke Licensee’s license (license number B.980600153) for violations of ORS 696.301. On April 11, 2024, Licensee requested a hearing.

On April 29, 2024, the Agency referred the hearing request to the Office of Administrative Hearings (OAH). The OAH assigned Senior Administrative Law Judge (ALJ) Alison G. Webster to preside at hearing.

On May 29, 2024, ALJ Webster convened a prehearing conference. Senior Assistant Attorney General (AAG) Raul Ramirez participated for the Agency with Agency Representative Amanda Moser also present. Licensee participated without counsel. During the prehearing conference, the parties set the hearing for November 19-20, 2024.

ALJ Webster held the hearing on November 19, 2024, in Salem, Oregon. AAG Ramirez represented the Agency. Licensee appeared without counsel. The following witnesses testified on behalf of the Agency: Cidia Nanez, REA Investigator; Dylan Ray, REA Investigator; Gustavo Coria; Manuel Coria; Maria Angelica Dominguez de Coria; Luis Coria; and Carmen Rojas. Spanish interpreter Sergio Renteria-Lopez translated for witnesses Manuel Coria, Maria Angelica Dominguez de Coria, Luis Coria, and Carmen Rojas. Licensee testified on his own behalf. The record closed at the conclusion of the hearing on November 19, 2024.

ISSUES

1. Whether Licensee violated ORS 696.301(1) and (14) by promising investors a monthly return on investment from his real estate business venture and then failing to pay investors what they were owed.
2. Whether Licensee violated ORS 696.301(14) by entering into agreements with new investors and using the new investors' investment money to pay interest owed to other investors.
3. Whether Licensee violated ORS 696.301(14) by failing to use the investment income to purchase real estate as he had promised and advertised.
4. Whether Licensee violated ORS 696.301(3) and OAR 863-015-0125 by advertising his business venture as guaranteeing a return on investment in real estate.
5. Whether Licensee violated ORS 696.301(3) and OAR 863-015-0175 by failing to report adverse judgments to the Agency.
6. Whether Licensee violated ORS 696.301(12) and (15) by demonstrating incompetence or untrustworthiness in engaging in the practice of professional real estate activity in Oregon.
7. If Licensee violated ORS 696.301 in one or more ways as set out above, whether the Agency should revoke Licensee's real estate license.

EVIDENTIARY RULINGS

Agency Exhibits A1 through A109 were admitted into the record without objection.

FINDINGS OF FACT

1. Licensee has been a licensed real estate broker with the Agency since February 9, 2001. (Ex. A2.)
2. On October 6, 2021, Licensee filed Articles of Organization with the Oregon Secretary of State, Corporation Division for a domestic limited liability company named Unitus Real Estate LLC, Registry Number 187811097, with a principal place of business located at 3000 Market St. NE #113, Salem, Oregon. Licensee listed himself as the registered agent, organizer, and sole member of the LLC. (Ex. A19.) On January 25, 2022, Licensee filed with the Oregon Secretary of State Articles of Amendment for Registry Number 187811097, changing the business entity's name to Unified Real Estate LLC, effective January 18, 2022. (Ex. A20.)
3. Since November 5, 2021, Licensee's real estate license has been associated with Unified Real Estate LLC, a brokerage located at 3000 Market St. NE, Suite 113, in Salem, Oregon. (Ex. A6 at 2.)
4. In the latter part of 2021, around the time he organized and registered Unitus Real Estate LLC with the Oregon Secretary of State, Licensee came up with a new business venture.

He decided to solicit money from others for real estate investments with the promise that he would pay a monthly return of 10 or 20 percent of the investment amount. Then, over the next year and a half, Licensee met with clients and potential investors at his real estate office at 3000 Market St. NE in Salem to discuss his investment opportunity. He provided prospective investors with his real estate business card. He explained that he would accept whatever amount the investor was willing to invest and that he would pay a monthly return of 10 percent (or, in some cases, 15 or 20 percent) on the investment amount. He told his investors they could withdraw their money at any time and that, if the monthly profit was not withdrawn, then he would add that amount to their investment and reinvest it. He told the investors that he was a licensed real estate broker with Unified Real Estate as well as a licensed notary. Licensee also told these investors that he planned to use the investment money to purchase, remodel, and sell homes.¹ Licensee assured investors he was investing their money in real property and that it was a safe and legal investment. (See Exs. A1, A35, A36, A37, A38, A39, A46, A47, A48, A49, A50, A51, A58, A59, A60-A63.)

5. When investors agreed to invest in Licensee’s business venture, Licensee entered into written and signed agreements (“Documento de Acuerdo-Inversion Personal”) with the investor(s) documenting the investment amount, the percentage of return, and amount to be paid each month. He also completed and affixed his notary stamp to a notary certificate, an “Acknowledgement in an Individual Capacity” form, attached to the investment agreement.² (See, e.g., Exs. A8, A38 at 3, A56 at 2, A57, A59, A60- A63.)

6. Over the course of about a year and a half, Licensee accepted several hundred thousand dollars from investors who believed that Licensee was investing their money in real estate ventures. Licensee failed to make the monthly interest payments to the majority of the investors. Licensee also failed to refund the principal investment amounts to many of his investors. (See Exs. A1, A24, A38, A39, A46, A49, A50, A58, A64, A68; test of G. Coria; test. of M. Coria; test. of MA Coria; test. of Rojas; test. of Ray.)

7. At some point in late 2021 or early 2022, Licensee met with Maria Angelica Dominguez de Coria³ and her two sons, Oscar Coria and Osvaldo Coria, at Licensee’s real estate

¹ For example, in a complaint against Licensee and Unified Real Estate LLC filed with the Oregon Department of Justice on August 18, 2023, the complainant (Juan Carlos Bobadilla) asserted that he signed an agreement with Licensee in which Licensee agreed to pay 10 percent month-to-month of whatever money invested and that the money invested would be used to purchase homes, remodel them, and sell them. The complainant added that Licensee “mentioned that he works for Unified Real Estate, LLC.” (Ex. A46 at 3, 7.) And, in another complaint filed with the Oregon Department of Justice against Licensee and Unified Real Estate LLC in September 2023, the complainant (Maria D. Perez) stated: “My husband saw an announcement on a laundry about investment. We went to see [Licensee] and he told us that he was working for Unified Real Estate LLC and he was the one to collect money to invest in properties for the company.” (Ex. A50 at 6.)

² In this form, Licensee, as a notary, recorded that the investors entered into the investment agreement. (See, e.g., Ex. A8 at 10-13.)

³ Despite the common surname, Ms. Coria is not related to Licensee. (Test. of MA Coria.)

business office on Market St. NE in Salem to discuss the investment opportunity. Ms. Coria's husband had recently passed away and she had received proceeds from his life insurance policy. She was looking for a way to invest the life insurance proceeds and maximize the return on investment. During the meeting, Licensee advised Ms. Coria that he would use invested funds to buy homes in need of repair, repair the homes, and then sell them at a profit. Licensee also promised Ms. Coria that he would pay a monthly return of 10 percent on any investment in this business. Ms. Coria invested approximately \$45,000 with Licensee on the understanding that she would receive a monthly return on her investment. Licensee paid interest on the investment as promised for the first few months but then the interest payments ceased. (Test. of MA Coria.)

8. When Ms. Coria first invested her money with Licensee, she told family members, including her brother-in-law, Manuel Coria, and her nephew, Gustavo Coria, about her investment.⁴ In February 2022, Ms. Coria put Manuel Coria and Gustavo Coria in contact with Licensee. They later met with Licensee at his real estate business office on Market St. SE in Salem. During the meetings Licensee explained that he would provide a 10 percent profit on any investment each month. Licensee added that he would reinvest the profits if the investor opted not to cash out that month. Licensee advised that his investors could cash out at any time and get their initial investment back. Licensee said that his business purchased properties, fixed them up, and sold ("flipped") them for profit. (Test. of G. Coria; test. of M. Coria; Ex. A33 at 1.)

9. Licensee told Gustavo Coria that he was a real estate broker and a notary. Gustavo Coria and his wife invested their money (approximately \$10,000) with Licensee because they believed he was licensed and "legit." (Test. of G. Coria.)

10. On or about February 27, 2022, Manuel Coria and his wife Estela Coria delivered \$15,000 in cash to Licensee and entered into a written "Documento de Acuerdo" (Agreement Document) with Licensee setting out the "terminus de inversion" (investment terms). The Agreement Document stated that Manuel and Estela Coria were investing \$15,000 with Licensee to earn profits per month for the amount of the investment. The agreement further stated that Licensee agreed to invest the money and pay 10 percent interest per month (specifically, \$1,500 per month) beginning March 27, 2022. (Ex. A8 at 4-5, 18; test. of M. Coria.)

11. On March 27, 2022, Manuel Coria and Estela Coria invested the amount of \$5,500 with Licensee and entered into a written Agreement Document with Licensee in which Licensee agreed to pay the Manuel and Estela a profit of \$550 per month as of April 27, 2022. (Ex. A8 at 2, 16-17.)

12. That same date, Manuel Coria and Estela Coria invested an additional \$10,000 with Licensee and entered into another Agreement Document with Licensee in which Licensee agreed to pay a 10 percent profit of \$1,000 per month. (*Id.* at 3.)

13. Also on March 27, 2022, Manuel Coria and Maria Hernandez⁵ invested \$5,000 with Licensee and entered into an Agreement Document with Licensee in which Licensee agreed to

⁴ Neither Manuel Coria nor Gustavo Coria is related to Licensee. (Test. of M. Coria; test. of G. Coria.)

⁵ Ms. Hernandez is Manuel Coria's sister. (Ex. A5 at 6.)

pay 10 a percent profit of \$500 per month beginning April 27, 2022. (Ex. A8 at 9, 19-20.)

14. In April 2022, Manuel Coria and Maria Hernandez invested \$5,500 with Licensee and entered into an Agreement Document with Licensee in which Licensee agreed to pay a 10 percent profit of \$550 per month beginning May 27, 2022 (Ex. A8 at 8, 20.)

15. Manuel Coria and Estela Coria invested an additional \$21,000 with Licensee and entered into an Agreement Document with Licensee in which Licensee agreed to invest the money and pay Manuel and Estela Coria a 10 percent profit of \$2,100 per month as of May 27, 2022. (Ex. A8 at 1 and 16.)

16. On June 27, 2022, Manuel Coria and Maria Hernandez invested \$6,655 with Licensee and entered into an Agreement Document with Licensee in which Licensee agreed to pay a 10 percent profit of \$665.50 per month to Mr. Coria and Ms. Hernandez beginning July 27, 2022. (Ex. A8 at 9, 21.)

17. Also on or about June 27, 2022, Manuel Coria and Estela Coria invested \$25,410 with Licensee to earn a monthly return. They entered into another Agreement Document with Licensee in which Licensee agreed to pay 10 percent profit of \$2,541 per month beginning on July 27, 2022. (Ex. A8 at 6, 19.)

18. In May or June 2022, Luis Coria, brother of Manuel Coria, met with Licensee at Licensee's real estate office in Salem and invested \$10,000 with Licensee on the promise that Licensee would pay good interest on the investment each month, and that interest would be reinvested each month. (Test. of L. Coria.)

19. On August 12, 2022, Gustavo Coria sent Licensee a text message requesting the return of half of his investment. Licensee acknowledged receipt of the request and told Gustavo Coria that he would check with the title company. On August 24, 2022, Gustavo Coria followed up with Licensee, advising that he needed the money back before September 7th. Licensee promised to get the check ready but he failed to send Gustavo Coria any money. Thereafter, during September 2022, Gustavo Coria asked Licensee for the return of his entire investment. Licensee responded that he needed 30 days to complete a transaction. (Exs. A11 and A12.) In December 2022, Gustavo Coria followed up with Licensee. Licensee advised that the "sellers signed," but he did not return any money to Gustavo Coria. (Ex. A13; test. of G. Coria.)

20. Also, in August or September 2022, Maria Angelica Coria asked Licensee to return some of her initial investment money. Licensee sent Ms. Coria a signed check from Unitus Real Estate LLC dated September 10, 2022 in the amount of \$4,365.77. Ms. Coria deposited the check into her bank account on September 16, 2022. It was later rejected for insufficient funds. When Ms. Coria notified Licensee that the check had bounced, Licensee claimed to be surprised. (Test. of MA Coria; Exs. A16, A17, A18.)

21. In September 2022, Carmen Rojas and her husband contacted Licensee about buying a house. They met with Licensee at his real estate office in Salem. During that meeting, Licensee advised them that it was not a good time to buy because interest rates were high.

Licensee added that he was in the business of buying, remodeling, and selling homes. Ms. Rojas and her husband each agreed to invest \$10,000 with Licensee. Licensee promised he would pay them a monthly return of 10 percent on the investment and then return the investment from the proceeds of houses he had remodeled and sold. (Test. of Rojas; Ex. A38 at 10.)

22. Licensee never paid Ms. Rojas or her husband any profit on their investments and never returned their initial investment. (Test. of Rojas.)

23. On July 16, 2023, Gustavo Coria and Manuel Coria submitted a joint complaint against Licensee to the Agency.⁶ (Ex. A5.) During the Agency's investigation of the joint complaint, several other individuals who invested money with Licensee's purported real estate business also filed complaints against Licensee with the Agency.⁷ (Test. of Ray; *see* Exs. A1 and A64.)

24. Meanwhile, other individuals who had invested money in Licensee's business venture and who were not paid profits as promised filed suit against Licensee in Marion County Circuit Court. Licensee defaulted in these lawsuits and the following money judgments were entered against him:

- Karina Bustos Ramirez v. Leonel Coria, Case no. 22CV32495 – General Judgment and Money Award by Default filed in Marion County Circuit Court on July 31, 2023, plus a supplemental judgment and money award for attorney fees and costs and disbursements, totaling \$76,758.74 (Ex. A7 at 1-8.)
- Artemio Bustos Soria v. Leonel Coria, Case no. 23CV09531 – General Judgment and Money Award by Default filed on July 31, 2023, plus a supplemental judgment and money award for attorney fees and costs and disbursements, totaling \$202,881.08 (Ex. A7 at 9-15.)
- Lucina Bustos v. Leonel Coria, Case no. 23CV09533 – General Judgment and Money Award by Default filed in Marion County Circuit Court on July 31, 2023, plus a supplemental judgment and money award for attorney fees and costs and disbursements, totaling \$20,454.46 (Ex. A7 at 17-24.)
- Carlos Llerenas and Esmeralda Llerenas v. Leonel Coria, Case no. 23CV23622 – General Judgment and Money Award by Default signed September 25, 2023, totaling \$196,263.50.

⁶ The Agency assigned file number 2023-425 to Gustavo Coria's complaint and file number 2023-426 to Manuel Coria's complaint.

⁷ For example, on July 19, 2023, the Agency received complaints against Licensee from Audelia Aguilera, Brenda Tapia, and Maria Elena Tapia. These complainants alleged that they had invested money with Licensee, that Licensee had promised to pay 10 percent profits on the investment, and that Licensee had not paid the promised profits or returned their investment money. These complainants also asserted that they had seen Licensee "announcing his investment on social media." (Exs. A35 at 3, A36 at 3, and A37 at 3.)

(Exs. A7 at 1-28; A98 – A109.)

25. Licensee failed to notify the Agency of these money judgments entered against him. (Ex. A1 at 3; Ex. A98; test. of Ray.)

26. At some point during 2023, Licensee printed up flyers promising a five percent return on money invested with him. (Ex. A34 at 1.) Translated to English, the flyer states:



(Id. at 2.)

27. On Licensee’s behalf and with Licensee’s knowledge, Licensee’s friend posted Licensee’s flyer on Facebook alongside a photo of a house for sale in Salem, Oregon. The Facebook advertisement stated (in Spanish) “Houses for sale and investments in real estate. Contact Leo Coria at 971-338-8972.” (Ex. A34; test. of Licensee.)



(Id.) Investor Gustavo Coria and others saw this advertisement on Facebook in November 2023 and provided it to the Agency. (Test. of G. Coria; Ex. A33 at 2.)

28. Licensee did not keep any records to document the investments he received or the money he paid to investors. The only documents Licensee provided to investors were the Agreement Documents with the notarized Acknowledgment certificates. (Test. of Licensee.)

29. Licensee did not use the money his investors gave to him to purchase real estate or to remodel properties he owned. Instead, Licensee used the money given to him by Manuel Coria, Gustavo Coria, Maria Angelica Coria, Luis Coria, Carmen Rojas and others to make payments to other investors in his business venture. (Test. of Licensee; test. of Ray.)

30. Licensee's failure to pay the promised profits on investments and his failure to repay investors' their initial investments as promised caused substantial harm to many of Licensee's investors. For example, the loss of \$45,000 or more caused Maria Angelica Coria financial, psychological, and physical distress. The stress made it difficult for her to control her blood sugar levels. The loss of this money also caused her chest palpitations and neck pain and necessitated a visit to the emergency department. Similarly, the loss of \$25,000 caused Manuel Coria financial harm and physical and emotional distress. The loss of \$10,000 caused Gustavo Coria significant stress and financial difficulty. The loss of \$10,000 caused Luis Coria to experience depression and made it difficult to control his diabetes. Carmen Rojas' loss of \$20,000 with Licensee's business venture resulted in both her and her husband having to work two jobs, seven days a week, to stay afloat.⁸ (Test. of MA Coria; test. of M. Coria; test. of G. Coria, test. of L. Coria; and test. of Rojas.)

31. On November 3, 2023, Agency investigator Dylan Ray conducted an investigatory interview with Licensee. During the interview, Licensee acknowledged that he used the money invested by later investors to pay returns he had promised to his initial investors. Licensee explained: "I was borrowing money and trying to catch up trying to pay interest, but then what really happened? People stopped calling in." (Ex. A24 at 9.) Licensee advised Investigator Ray that he first accepted investment money in late 2021 and that, by about November 2022, he ran out of money and could not afford to pay the promised returns. (*Id.* at 11-12.) Licensee also admitted that, despite what he led his investors to believe, he did not have any specific plans to purchase properties, remodel them and resell them.⁹ He explained that he did not have any

⁸ The evidence also establishes that Licensee's fraudulent conduct caused harm to investor Juan Carlos Bobadilla. After losing more than \$30,000 to Licensee's investment scam, Mr. Bobadilla sought psychological counseling. He was diagnosed with major depressive disorder and generalized anxiety disorder and referred to a physician for psychotropic medication given the severity of his symptoms. (Ex. A46 at 3, 8-9, and 12.)

⁹ During the interview, Licensee admitted the following:

Ray: But these people, these people, they're calling you and they're hearing about all the great returns that your providing, right?

Licensee: Yes.

Ray: But you know that when these people are calling you that you don't have a business? Is that, am I understanding that correct[ly]?

business plan to generate profits and he considered the investors' money as personal loans.¹⁰ (*Id.* at 45-58.)

32. During the November 3, 2023 interview, Licensee also told Investigator Ray that he dealt mostly in cash and, other than the initial agreement documents, did not keep records of the money received from investors or the money he paid to investors. (*Id.* at 35-42.) In addition, Licensee acknowledged that he was aware of, and had received notice of, the money judgments entered against him in Marion County. He admitted he was aware of his obligation to report these adverse judgments to the Agency and had not done so. (*Id.* at 28-29.)

CONCLUSIONS OF LAW

1. Licensee violated ORS 696.301(1) and (14) by promising investors a monthly return on investment from his real estate business venture and then failing to pay investors what they were owed.

2. Licensee violated ORS 696.301(14) by entering into agreements with new investors and using the new investors' investment money to pay interest owed to other investors.

3. Licensee violated ORS 696.301(14) by failing to use the investment income to purchase real estate as he had promised and advertised.

4. Licensee violated ORS 696.301(3) and OAR 863-015-0125 by advertising his business venture as guaranteeing a return on investment in real estate.

5. Licensee violated ORS 696.301(3) and OAR 863-015-0175 by failing to report adverse judgments to the Agency.

6. Licensee violated ORS 696.301(12) and (15) by demonstrating incompetence or untrustworthiness in engaging in the practice of professional real estate activity in Oregon.

7. The Agency should revoke Licensee's real estate license.

OPINION

In the Notice of Intent to Revoke License at issue in this matter, the Agency proposes to revoke Licensee's real estate broker license based upon six alleged violations of ORS 696.301

Licensee: Yes. No they didn't. They didn't know they were.

(Ex. A24 at 51.) Later in the interview, Licensee acknowledged that he never used any of the investment money for other purposes beyond paying interest. (*Id.* at 73.)

¹⁰ Inspector Ray specifically asked Licensee "how did you plan to make money?" Licensee responded, "The plan to make money, it was like the money that they will bring me. My plan was to talk also to contractors." (Ex. A24 at 69.)

and the Oregon Real Estate Law. The Agency has the burden of establishing by a preponderance of the evidence that Licensee violated ORS 696.301 in the manners alleged and that the proposed sanction is appropriate. ORS 183.450(2) (“The burden of presenting evidence to support a fact or position in a contested case rests on the proponent of the fact or position”); *Dixon v. Board of Nursing*, 291 Or App 207, 213 (2018) (the standard of proof that generally applies in agency proceedings, including license-related proceedings, is the preponderance of the evidence standard). *Metcalf v. AFSD*, 65 Or App 761, 765 (1983) (in the absence of legislation specifying a different standard, the standard of proof in an administrative hearing is preponderance of the evidence). Proof by a preponderance of the evidence means that the fact finder is persuaded that the facts asserted are more likely than not true. *Riley Hill General Contractor v. Tandy Corp.*, 303 Or 390, 402 (1987).

Applicable Law

ORS 696.301 sets out the grounds for which the Real Estate Commissioner may discipline a real estate licensee or applicant for licensure and provides, in pertinent part:

Subject to ORS 696.396,¹¹ the Real Estate Commissioner may suspend or revoke the real estate license of any real estate licensee, reprimand any real estate licensee or deny the issuance or renewal of a license to an applicant who has:

(1) Created a reasonable probability of damage or injury to a person by making one or more material misrepresentations or false promises in a matter related to professional real estate activity.

* * * * *

(3) Disregarded or violated any provision of ORS 659A.421, 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.890 or any rule of the Real Estate Agency.

* * * * *

(12) Demonstrated incompetence or untrustworthiness in performing any act for which the real estate licensee is required to hold a license.

¹¹ ORS 696.396 requires the Commissioner to establish rules for the progressive discipline of real estate licensees. Pursuant to ORS 696.396(2)(c), the Agency may not suspend or revoke a real estate license unless the licensee’s violation(s) of ORS 696.301:

- (A) Results in significant damage or injury;
- (B) Exhibits incompetence in the performance of professional real estate activity;
- (C) Exhibits dishonesty or fraudulent conduct; or
- (D) Repeats conduct or an act that is substantially similar to conduct or an act for which the real estate licensee was disciplined previously.

ORS 696.396(2)(c).

* * * * *

(14) Committed an act of fraud or engaged in dishonest conduct substantially related to the fitness of the applicant or real estate licensee to conduct professional real estate activity, without regard to whether the act or conduct occurred in the course of real estate activity.

(15) Engaged in any conduct that is below the standard of care for the practice of professional real estate activity in Oregon as established by the community of individuals engaged in the practice of professional real estate activity in Oregon.

The term “professional real estate activity” is defined in ORS 696.301(17) as follows:

“Professional real estate activity” means any of the following actions, when engaged in for another and for compensation or with the intention or in the expectation or upon the promise of receiving or collecting compensation, by any person who:

- (a) Sells, exchanges, purchases, rents or leases real estate;
- (b) Offers to sell, exchange, purchase, rent or lease real estate;
- (c) Negotiates, offers, attempts or agrees to negotiate the sale, exchange, purchase, rental or leasing of real estate;
- (d) Lists, offers, attempts or agrees to list real estate for sale;
- (e) Offers, attempts or agrees to perform or provide a competitive market analysis or letter opinion, to represent a taxpayer under ORS 305.239 or 309.100 or to give an opinion in any administrative or judicial proceeding regarding the value of real estate for taxation, except when the activity is performed by a state certified appraiser or state licensed appraiser;
- (f) Auctions, offers, attempts or agrees to auction real estate;
- (g) Buys, sells, offers to buy or sell or otherwise deals in options on real estate;
- (h) Engages in management of rental real estate;
- (i) Purports to be engaged in the business of buying, selling, exchanging, renting or leasing real estate;
- (j) Assists or directs in the procuring of prospects, calculated to result in the sale, exchange, leasing or rental of real estate;

(k) Assists or directs in the negotiation or closing of any transaction calculated or intended to result in the sale, exchange, leasing or rental of real estate;

(L) Except as otherwise provided in ORS 696.030 (12), advises, counsels, consults or analyzes in connection with real estate values, sales or dispositions, including dispositions through eminent domain procedures;

(m) Advises, counsels, consults or analyzes in connection with the acquisition or sale of real estate by an entity if the purpose of the entity is investment in real estate; or

(n) Performs real estate marketing activity as described in ORS 696.600.

OAR 863-015-0125 addresses the advertising of services related to professional real estate activity. The rule provides:

(1) As used in this rule, “advertising” and “advertisement” include all forms of meaningful communication by or on behalf of a real estate broker or principal broker designed to attract the public to the use of services related to professional real estate activity. This includes, but is not limited to:

(a) Print, including, but not limited to mail, publications, brochures, postcards, business cards, and stationery;

(b) Signs, including but not limited to lawn signs, displays, and billboards;

(c) Phone, including but not limited to mobile phone, text messaging, cold calling, and outgoing voicemail messaging;

(d) Broadcast media, including but not limited to radio, television, podcasts, and video; and

(e) Electronic media, including but not limited to multiple listing services, websites, email, social media, mobile apps, and other online marketing.

(2) *Advertising shall:*

(a) Be identifiable as advertising of a real estate licensee;

(b) *Be truthful and not deceptive or misleading[.]*

Emphasis added.

OAR 863-015-0175 requires real estate licensees to notify the Commissioner of litigation related to the licensee, and provides in pertinent part:

(1) A real estate licensee must notify the Commissioner of the following:

(b) Any adverse decision or judgment resulting from any civil or criminal suit or action or arbitration proceeding or any administrative or Oregon State Bar proceeding related to the licensee in which the licensee was named as a party and against whom allegations concerning any business conduct or professional real estate activity is asserted; and

(c) Any adverse decision or judgment resulting from any other criminal or civil proceeding that reflects adversely on the “trustworthy and competent” requirements contained in ORS Chapter 696 and its implementing rules.

* * * * *

(3) The notification required by this rule must be in writing and must include a brief description of the circumstances involved, the names of the parties, and a copy of the adverse decision, judgment, or award and, in the case of a criminal conviction, a copy of the sentencing order. If any such judgment, award, or decision is appealed, each subsequent appellate court decision is subject to this rule’s notification requirements.

(4) The notification required by this rule must be made within twenty 20 calendar days after receiving written notification of an adverse judgment, award, or decision described in this rule. Notification must be made under this rule whether or not the decision is appealed.

Finally, OAR 863-027-0020, pertaining to the progressive discipline of Licensees, states in pertinent part:

(1) The goal of progressive discipline is to correct a licensee's inappropriate behavior, deter the licensee from repeating the conduct, and educate the licensee to improve compliance with applicable statutes and rules. Progressive discipline means the process the Real Estate Agency follows, which may include using increasingly severe steps or measures against a licensee when a licensee fails to correct inappropriate behavior or exhibits subsequent instances of inappropriate behavior.

(2) The Real Estate Commissioner will evaluate all relevant factors to determine whether to issue a non-disciplinary educational letter of advice or to discipline a licensee through reprimand, suspension or revocation under ORS 696.301, including but not limited to:

- (a) The nature of the violation;
- (b) The harm caused, if any;
- (c) Whether the conduct was inadvertent or intentional;

- (d) The licensee's experience and education;
- (e) Whether the licensee's conduct is substantially similar to conduct or an act for which the licensee was disciplined previously;
- (f) Any mitigating or aggravating circumstances;
- (g) The licensee's cooperation with the investigation;
- (h) Any Agency hearing orders addressing similar circumstances; and
- (i) The licensee's volume of transactions.

Violations

1. False promises of monthly returns

The Agency first contends that Licensee violated ORS 696.301(1) and (14) by entering into an “Agreement Document” with multiple investors promising a monthly return on their investment in his real estate business venture, and then failing to pay the promised returns. Notice at 6. As set out above, ORS 696.301(1) authorizes the Agency to discipline a licensee who causes injury or damage to a person by making false promises in a matter related to real estate activity. ORS 696.301(14) authorizes the Agency to discipline a licensee who commits an act of fraud or dishonesty substantially related to the licensee’s fitness to conduct professional real estate activity, without regard to whether the act or conduct occurred in the course of professional real estate activity.

Licensee maintains that his investment business venture was separate from his professional real estate activity and he had no intent to defraud his investors. However, the evidence belies this contention. The evidence in this record overwhelmingly establishes that Licensee caused harm to others by making false promises related to professional real estate activity. Licensee repeatedly entered into written contracts with investors in which he acknowledged receipt of their personal investment money and, in return, promised to pay the investor a specific percentage of the investment amount in profits per month. Licensee conducted his investment business at his real estate office. He provided his real estate business card to investors. Licensee told investors that he was using their investment money in connection with real estate activity, *i.e.*, that he was planning to buy and sell homes to earn the promised profits.

Licensee’s promises and representations to these investors were knowingly false as he had no plans to invest the money. He did not pay the promised profits and did not use the money to purchase, repair, sell, or rent any homes. Finally, the evidence establishes that Licensee’s conduct in this regard caused significant damage and injury to his investors. Maria Angelica Coria, Manuel Coria, Gustavo Coria, Luis Coria, and Carmen Rojas all testified that they experienced financial distress, mental anguish, and/or physical manifestations of stress as a result of Licensee’s misconduct. Consequently, the Agency has proven this first violation of ORS

696.301(1) and (14).

2. *Using new investors' investment money to pay interest owed to other investors*

The Agency next contends that Licensee violated ORS 696.301(14) by “continuing to enter into agreements with new investors and using their investment money to pay other investors.” Notice at 7. The Agency has also proven this second violation. As Licensee acknowledged during his November 3, 2023 investigatory interview, he used the money invested by later investors (investors such as Gustavo Coria, Manuel Coria, Luis Coria, and Carmen Rojas) to pay the returns promised to his initial investors. Indeed, Licensee’s new business venture was nothing more than a “Ponzi scheme,” an investment scam in which he promoted a nonexistent investment opportunity, promised a high rate of return with no risk to his investors, and then used the money from later investors to pay earlier investors. The scam worked for a few months, but when the supply of new investors dwindled (*i.e.*, when “people stopped calling in”), the business venture collapsed, leaving Licensee without funds to pay the promised profits. By engaging in this investment scam of using new investors’ money to pay returns to earlier investors, Licensee committed acts of fraud substantially related to his fitness to conduct professional real estate activity in violation of ORS 696.301(14). *See, e.g., Kerley v. Real Estate Agency*, 337 Or 309 (2004) (holding that a person’s prior acts of dishonesty and untrustworthiness relate substantially to his or her fitness and ability to engage in real estate activity and can justify denial or revocation of licensure).

3. *False statements regarding use of money invested*

As Violation 3, the Agency alleges that Licensee violated ORS 696.301(1) and (14) by failing to use the investment income to purchase property as his investors expected him to do based upon his statements and advertising. Notice at 8. As above, under ORS 696.301(1) and (14) the Agency is authorized to discipline a licensee who causes injury or damage to a person by making false promises in a matter related to real estate activity or who commits an act of fraud or dishonesty in a manner related to the conduct professional real estate activity.

A preponderance of the evidence establishes that Licensee represented to his investors that he planned to use the money they invested for purposes related to real estate, *i.e.*, to purchase, repair, sell, or rent homes.¹² Licensee also advertised his business venture as investments in real estate.¹³ The evidence further establishes that Licensee’s representations and promises to investors were false, because Licensee did not own any properties nor did he have any concrete plans to purchase properties to rent or remodel and sell. Also, as discussed above, Licensee never used the investment money to purchase or repair any homes. Licensee conceded in his investigatory interview that he made false promises to his investors. The Agency has therefore proven that Licensee violated ORS 696.301(1) and (14) by making false statements and promises to investors regarding his use of their investment money.

¹² Testimony of G. Coria, M. Coria, MA Coria, and Rojas. *See also* Exhibits A38, A39, A46, A50, and A58.

¹³ Exhibit A34. *See also* Exhibit A50 at 6.

4. *False, deceptive, or misleading advertising*

The Agency next alleges that Licensee violated ORS 696.301(3) and OAR 863-015-0125 by advertising his business as guaranteeing a return on investment in real estate. Notice at 8. As set out above, under ORS 863-015-0125(1), advertising includes all forms of meaningful communication by, or on behalf of, a real estate broker designed to attract the public to use services related to professional real estate activity. Under ORS 863-015-0125(2)(a), such advertising must be “truthful and not deceptive or misleading.”

The evidence establishes that at some point, Licensee published flyers advertising his investment business and guaranteeing a five percent return on investment each month. Then in 2023, Licensee’s friend posted Licensee’s flyer on Facebook alongside a house for sale in Salem, Oregon. The Facebook post stated: “Houses for sale and investments in real estate. Contact Leo Coria at 971-338-8972.” Exhibit A34. Although Licensee did not post this advertisement on Facebook himself, it was posted by Licensee’s friend with Licensee’s knowledge. The evidence also establishes that, by the time this advertisement was posted on Facebook, Licensee knew that it was false and misleading.

As Licensee admitted during his investigatory interview, he never had any established business model nor any concrete plan to invest the money in real estate. Furthermore, Licensee admitted that he ran out of money in late 2022 and spent the next year trying to recruit more investors so that he could repay his initial investors. Thus, he could not “guarantee” any returns on investments in real estate. Accordingly, the Agency has also established this violation of ORS 696.301(3) and OAR 863-015-0125.

5. *Failing to report adverse judgments*

As Violation 5, the Agency alleges that Licensee violated ORS 696.301 and OAR 863-015-0175(1)(b) (2003) when he failed to report judgments against him to the Agency. Notice at 9. As set out above, OAR 863-015-0175(1)(b) requires real estate licensees to notify the Agency of “any adverse decision or judgment resulting from any civil or criminal suit or action or arbitration proceeding * * * in which the licensee was named as a party and against whom allegations concerning any business conduct or professional real estate activity is asserted.” OAR 863-015-0175(4), in turn, requires that this notification be made within 20 days after the licensee receives written notice of the adverse judgment.

In the first half of 2023, Licensee knowingly defaulted in at least four lawsuits in Marion County Circuit Court related to his purported real estate investment business. The following adverse money judgments were entered against him in July and September of 2023:

- Case no. 22CV32495 – judgment and money award totaling \$76,758.74
- Case no. 23CV09531 – judgment and money award totaling \$202,881.08
- Case no. 23CV09533 – judgment and money award totaling \$20,454.46
- Case no. 23CV23622 – judgment and money award totaling \$196,263.50.

Licensee never reported these judgments to the Agency and his failure to report them

violated OAR 863-015-0175(1)(b). In failing to report these adverse judgments in violation of OAR 863-015-0175(1)(b) Licensee also violated ORS 696.301(3) (disregarding a rule of the Agency) and ORS 696.301(15) (engaging in conduct that is below the standard of care for the practice of professional real estate activity in Oregon). Accordingly, the Agency has also proven Violation 5.

6. *Incompetence in the practice of real estate*

Finally, as Violation 6, the Agency alleges that by engaging in the misconduct described above, Licensee also violated ORS 696.301(12) and (15). Notice at 9. As previously discussed, under ORS 696.301(12), the Agency may suspend or revoke the real estate license of a licensee who demonstrates incompetence or untrustworthiness in performing any act for which the licensee is required to hold a license. Under ORS 696.301(15), the Agency may sanction a licensee who engages in conduct that is below the standard of care for the practice of professional real estate activity in Oregon as established by the community of individuals engaged in the practice of professional real estate activity in Oregon.

The terms “incompetence” and “untrustworthiness” are not defined in the Agency’s statutes and rules. However, the plain meanings of these two terms are straightforward. “Incompetence” means “the state or fact of being incompetent,” and “lack of physical, intellectual or moral ability.” *Webster’s Third New Int’l Dictionary* 1144 (unabridged ed. 2002). “Incompetent” means “one incapable of doing properly what is required.” *Id.* “Untrustworthiness” means “the quality or state of being untrustworthy.” *Id.* at 2514. And “untrustworthy” means “not trustworthy” and “unreliable.” *Id.*

By repeatedly entering into written contracts with investors in which he promised to pay the investor a specific percentage of the investment amount in profits per month, by leading his investors to believe he was using their investment money in connection with professional real estate activity, by failing to pay the promised profits and returns, and by failing to use the money in connection with professional real estate activity as he represented, Licensee demonstrated both incompetence and untrustworthiness. By engaging in a new business venture that was nothing more than an investment scam (Ponzi scheme), by falsely advertising his business as guaranteeing a return on investment, and by failing to keep records of the money received from investors or the money paid to investors, Licensee demonstrated incompetence (specifically, a lack of moral ability) and trustworthiness. Furthermore, by engaging in such conduct and by failing to timely report the adverse money judgments against him to the Agency, Licensee fell below the standard of care for the practice of professional real estate activity in Oregon. The Agency has proven Violation 6 as well.

Sanction

Professional real estate activity is a matter of public concern and is to be conducted with high fiduciary standards. *See* ORS 696.015(1).¹⁴ In addition to fiduciary duties to their clients,

¹⁴ ORS 696.015(1) provides: The Legislative Assembly finds the activity of persons seeking to assist others, for compensation, to deal in real estate in this state to be a matter of public concern. The provisions of ORS 696.010

licensed brokers have an affirmative duty to, among other things, deal honestly and in good faith and disclose known material facts. *See, e.g.*, ORS 696.805, 696.810 and 696.815.

As discussed above, ORS 696.396 requires that the agency provide for progressive discipline. However, under ORS 696.396(2)(c)(A)(B) and (C), the Agency may revoke a real estate license where the material facts establish one or more violations that “result[] in significant damage or injury,” “exhibit[] incompetence in the performance of real estate activity,” or “exhibit[] dishonesty or fraudulent conduct.” The Agency has an established record of revoking the real estate licenses of licensees who have been found to have engaged in dishonest or fraudulent conduct. OAR 863-027-0020 identifies factors to be considered in determining the appropriate discipline, including the following: (a) the nature of the violation; (b) the harm caused; (c) whether the conduct was inadvertent or intentional; (d) Licensee’s experience and education; (e) any mitigating or aggravating circumstances; and (f) the volume of transactions.

In this case, the Agency has proven that Licensee repeatedly violated the provisions of ORS 696.301(1), (3), (14) and (15) and that his multiple violations of the Oregon Real Estate Law caused significant harm and injury to many of his investors and their families. Licensee’s conduct was dishonest and fraudulent. There are aggravating circumstances, including the intentional nature of Licensee’s conduct, the improper use of his notary public commission,¹⁵ and Licensee’s failure to keep records documenting investments received and/or the returns and profits paid. Licensee’s claimed sympathy for the investors and his claimed remorse for the situation are not a basis for mitigation. Licensee collected a substantial sum of money from investors using false promises and false statements. Licensee’s conduct bears an obvious and substantial relationship to his fitness, or lack thereof, to engage in professional real estate activity.

Considering nature and extent of Licensee’s dishonesty and fraudulent conduct in this matter, revocation of Licensee’s Oregon real estate license is warranted under of ORS 696.301 and 696.396(2)(c)(A), (B), and (C).

to 696.495, 696.600 to 696.785, 696.800 to 696.870, 696.990 and 696.995 are enacted to assist in creating for the public a healthy real estate market atmosphere and to assure that professional real estate activity is conducted with high fiduciary standards.

¹⁵ *See, e.g.*, ORS 194.350(6), prohibiting a notary public from committing any act involving dishonesty, fraud, or deceit with the intent to substantially benefit the notary public or another or substantially injure another.

FINAL ORDER

Leonel Coria's real estate broker license is REVOKED.

Dated this 2nd day of January, 2025.

OREGON REAL ESTATE AGENCY

Signed by:
Steven Strobe
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Steven Strobe
Real Estate Commissioner



NOTICE OF RIGHT TO APPEAL: You are entitled to judicial review of this Order. Judicial review may be obtained by filing a petition for review within 60 days from the date of service of this order. Judicial review is to the Oregon Court of Appeals, pursuant to the provisions of ORS 183.482.