

NEW JERSEY REAL ESTATE COMMISSION

NEW JERSEY REAL ESTATE COMMISSION) DOCKET NUMBER PAS-19-005
) (REC Ref. No. 10006179)
Complainant,)
) ORDER TO SHOW CAUSE
v.)
)
Leon Cabarcas, licensed New Jersey real estate)
broker (Ref. No. 8436093))
)
Respondent.)

THIS MATTER being commenced by the New Jersey Real Estate Commission (the “Commission”) in the Department of Banking and Insurance, State of New Jersey, on its own motion, pursuant to the provisions of N.J.S.A. 45:15-17, 45:15-18 and N.J.A.C. 11:5-1.1 et seq., and it appearing that:

1. Respondent Leon Cabarcas (“Cabarcas”) is an actively licensed New Jersey real estate broker, who was first licensed as a salesperson in 1989, and conducts real estate activity as a sole proprietor under the trade name Bridges and Towers Real Estate, whose office is on file with the Commission as being located at 118 Lakeview Avenue, Clifton, New Jersey 07011; and
2. At all relevant times herein, Cabarcas represented Habib Georges (the “Buyer”) as buyer’s agent; and
3. From approximately April of 2013 through February of 2016, the Buyer provided Cabarcas with \$40,500 in deposit monies to be used in the purchase of three investment properties in Passaic County, New Jersey; and
4. None of the above transactions were ever completed, yet Cabarcas did not return any of the Buyer’s funds to him; and

5. On or about September 29, 2017, the Buyer filed a civil complaint against Cabarcas in the Passaic County Superior Court of New Jersey, Law Division, demanding the return of the above described deposit funds. The complaint also named the Commission as a defendant and included a claim for payment from the New Jersey Real Estate Guaranty Fund; and

6. On or about October 3, 2017, criminal charges were filed against Cabarcas in Clifton Municipal Court. Specifically, Cabarcas was charged with three counts of theft by deception, in violation of N.J.S.A. 2C:20-4A, a crime of the third degree; and

7. On or about February 2, 2018, a civil judgment was entered in favor of the Buyer against Cabarcas in the Superior Court of New Jersey, Passaic County, Law Division for damages and attorney fees and costs in the total amount of \$161,264; and

8. The Buyer completed all prerequisites for payment from the New Jersey Real Estate Guaranty Fund, as set forth in N.J.S.A. 45:15-34 through 42; and

9. On or about August 16, 2018, the Buyer entered into a Consent Order with the Commission, ordering payment from the New Jersey Real Estate Guaranty Fund in the amount of \$55,500, which amount is representative of the misappropriated funds plus attorney fees and costs as provided by the statute; and

10. N.J.S.A. 45:15-41 mandates that the Commission revoke Cabarcas' real estate license and deem him ineligible for reinstatement of licensure until he satisfies the judgment against him in full, including reimbursement of the New Jersey Real Estate Guaranty Fund together with interest.

And for good cause shown,

IT IS on this 6th day of February, 2019

ORDERED that Respondent Leon Cabarcas shall show cause why his real estate license should not be suspended or revoked and/or why fines or other sanctions should not be imposed pursuant to N.J.S.A. 45:15-17 and N.J.A.C. 11:5-1.1. Respondent shall file a written Answer to the charges in this Order to Show Cause as required by N.J.A.C. 11:5-11.2 within twenty (20) days of the service of this Order. As required by N.J.A.C. 11:5-11.2, Respondent's written Answer must include specific admissions or denials of all allegations in this Order to Show Cause, state the factual basis of each and every factual allegation denied, and assert any defenses that Respondent intends to present in the event that this matter is deemed a contested case and a plenary hearing is held; and

IT IS FURTHER ORDERED that failure to comply with all of the requirements of N.J.A.C. 11:5-11.2 may result in a determination that there are no material facts or issues of law in dispute and any presentation made to the Commission will be limited to the issue of the severity of any sanction or penalty to be imposed; and

IT IS FURTHER ORDERED that the Commission will review this Order to Show Cause and Answer(s) filed, if any, at a meeting scheduled on or after the 12th day of March, 2019 at 9:30 a.m. to determine whether there is a material fact or issue of law contested. No appearance is required at that time; and

IT IS FURTHER ORDERED that if the Commission determines that there is a material fact or issue of law contested, a hearing will be scheduled for a future date; and

IT IS FURTHER ORDERED that if the Commission determines that there is no material fact or issue of law contested, a hearing shall be scheduled at which the Respondent will be limited to presenting witnesses and documentary evidence regarding the issue of the severity of any sanction or penalty to be imposed; and

IT IS FURTHER ORDERED that a copy of this Order be served upon the Respondent as provided in N.J.S.A. 45:15-18, which service may be accomplished by serving a copy of this Order on the Respondent personally, or by delivering a copy thereof to his last known business address via certified mail.



Richard Mumford
Acting Director of Banking
New Jersey Department of Banking and Insurance
New Jersey Real Estate Commission