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**FILED**  
SEP 01 2021  
DEPARTMENT OF REAL ESTATE  
By J. Taggart

8 BEFORE THE DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

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11 In the Matter of the Accusation of: )  
12 )  
13 JCHEN PROPERTIES INC. and )  
14 JENNIFER H. CHEN, )  
15 Respondents. )

No. H-12515 SF  
ACCUSATION

16 The Complainant, STEPHANIE YEE, acting in her official capacity as a  
17 Supervising Special Investigator of the State of California, for cause of Accusation against  
18 JCHEN PROPERTIES, INC. ("JCHEN PROPERTIES") and JENNIFER H. CHEN ("JCHEN"),  
19 (collectively referred to herein as "Respondents"), is informed and alleges as follows:

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21 At all times herein mentioned, JCHEN PROPERTIES was and is licensed by the  
22 State of California Department of Real Estate ("Department") as a restricted real estate broker  
23 corporation.

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25 JCHEN is presently licensed and/or has license rights under the Real Estate Law  
26 (Part 1 of Division 4 of the Business and Professions Code) ("Code") as a restricted real estate  
27 broker, and as the designated broker officer of JCHEN PROPERTIES. As said designated

1 officer-broker, JCHEN was responsible, pursuant to Section 10159.2 of the Code, for the  
2 supervision of the activities of the officers, agents, real estate licensees and employees of  
3 JCHEN PROPERTIES for which a license is required.

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5 Whenever reference is made in an allegation in this Accusation to an act or  
6 omission of JCHEN PROPERTIES, such allegation shall be deemed to mean that the officers,  
7 directors, employees, agents and/or real estate licensees employed by or associated with JCHEN  
8 PROPERTIES committed such act or omission while engaged in the furtherance of the business  
9 or operations of JCHEN PROPERTIES, and while acting within the course and scope of their  
10 authority and employment.

11 4

12 At all times mentioned herein, Respondents engaged in the business of, acted in  
13 the capacity of, advertised, or assumed to act as real estate licensees, in the State of California,  
14 within the meaning of Section 10131(b) of the Code in the operation and conduct of a property  
15 management business with the public wherein, on behalf of others, for compensation or in  
16 expectation of compensation, Respondent leased or rented and offered to lease or rent, and  
17 placed for rent, and solicited listings of places for rent, and solicited for prospective tenants of  
18 real property or improvements thereon, and collected rents from real property or improvements  
19 thereon.

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21 In or about June 2016, JCHEN, acting on behalf of JCHEN PROPERTIES,  
22 signed a property management agreement with the owner of a residence located at 1520 Arkell  
23 Rd., Walnut Creek, CA 94598 ("Subject Property"). The property management agreement  
24 states that rent shall be at market rate unless the owner authorizes a lower amount. Nowhere in  
25 the property management agreement did it state that the higher rent will be charged for tenants  
26 that are not all from the same family.

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In or about October 2019, Respondents advertised the Subject Property for rent. The advertisement showed the monthly rent was \$3,700 and the security deposit was \$5,000. Nowhere did the advertisement state that the monthly rate would increase if applicant was part of a "group" versus a "family."

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In or about October 2019, Jeremie N. and Valerie N. completed and submitted an application to lease the Subject Property from Respondents, and paid the \$35 application fee. Jeremie N. and Valerie N. intended to have a friend named Shawn P. live with them at the Subject Property

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On or about October 27, 2019, Jeremie N. met JCHEN at the Subject Property. When Jeremie N. informed JCHEN that Shawn P. would be living at the Subject Property, JCHEN said the rent would be \$4,000 per month because Shawn P. was not part of the same family as Jeremie N. and Valerie N.

**FIRST CAUSE OF ACTION**  
**FALSE ADVERTISING**  
**(As to JCHEN PROPERTIES and JCHEN)**

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Each and every allegation set forth above in Paragraphs 1 through 8, inclusive, is incorporated by this reference as if fully set forth herein.

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Pursuant to Sections 10140 of the Code, it is unlawful to knowingly authorize, direct or aid in the publication, advertisement, distribution or circulation of any false statements or representations concerning land that is offered for sale or lease.

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The acts and/or omissions of Respondents, as alleged above in Paragraphs 5 through 8, are grounds for the revocation or suspension of the real estate licenses and license rights of Respondents under Sections 10177(d) and 10140 of the Code.

**SECOND CAUSE OF ACTION**  
**NEGLIGENCE**  
(As to JCHEN PROPERTIES and JCHEN)

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Each and every allegation set forth above in Paragraphs 1 through 11, inclusive, is incorporated by this reference as if fully set forth herein.

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Pursuant to Section 10177(g) of the Code, the Real Estate Commissioner may suspend or revoke the license of a real estate licensee who demonstrates negligence or incompetence in performing an act for which the officer, director, or person is required to hold a license.

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In failing to notify consumers that there was a different rent price depending on whether the renters were all part of the same family or not, as alleged above in Paragraphs 5 through 8, Respondents acted negligently and/or incompetently.

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The acts and/or omissions of Respondents, as alleged above in Paragraphs 12 through 14, are grounds for the revocation or suspension of the real estate licenses and license rights of Respondents under Sections 10177(d) and 10140 of the Code.

**THIRD CAUSE OF ACTION**  
**FAILURE TO SUPERVISE**  
(As to JCHEN only)

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Each and every allegation in Paragraphs 1 through 15, inclusive, above, is incorporated by this reference as if fully set forth herein.

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JCHEN, as the supervising broker of JCHEN PROPERTIES, was required to exercise reasonable supervision and control over the real estate activities of JCHEN PROPERTIES.

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JCHEN failed to exercise reasonable supervision over the acts and/or omissions of JCHEN PROPERTIES in such a manner as to allow the acts and/or omissions, as described above in the First and Second Causes of Action to occur, which constitutes cause for the suspension or revocation of the license(s) and license rights of JCHEN under Sections 10177(d) and/or 10177(g), 10177(h) and 10159.2 of the Code, in conjunction with Section 2725 of the Regulations.

**MATTERS IN AGGRAVATIONS**  
**PRIOR DISCIPLINARY ACTIONS**  
**(As to JCHEN PROPERTIES and JCHEN)**

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Each and every allegation in Paragraphs 1 through 18, inclusive, above, is incorporated by this reference as if fully set forth herein

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Effective January 8, 2019, in Department of Real Estate Case No. H-12129 SF, the Commissioner issued an Order, pursuant to a Stipulation and Agreement, revoking the real estate broker license of JCHEN and granting JCHEN the right to apply for a restricted real estate broker license, among other terms and conditions, for violating Sections 10130, 10140.6(b), 10145, 10145(d), 10145(g), 10159.2, 10159.5, 10176(e), 10176(i), 10177(d), 10177(g), 10177(h) of the Code and Sections 2725, 2731, 2773, 2831, 2831.1, 2831.2, 2832, and 2832.1 of Title 10, California Code of Regulations ("the Regulations").

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Effective January 8, 2019, in Department of Real Estate Case No. H-12129 SF, the Commissioner issued an Order, pursuant to a Stipulation and Agreement, revoking the real estate broker license of JCHEN PROPERTIES and granting JCHEN PROPERTIES the right to apply for a restricted corporate real estate broker license, among other terms and conditions, for violating Sections 10130, 10140.6(b), 10145, 10145(d), 10145(g), 10159.5, 10176(e), 10176(i), 10177(d), 10177(g), of the Code and Sections 2725, 2731, 2771, 2831, 2831.1, 2831.2, 2832, and 2832.1 of the Regulations

COST RECOVERY

Section 10106 of the Code provides, in pertinent part, that in any order issued in resolution of a disciplinary proceeding before the Department, the Commissioner may request the Administrative Law Judge to direct a licensee found to have committed a violation of this part to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered revoking all licenses, license rights, endorsements and endorsement rights of Respondents under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code), for the cost of investigation and enforcement as permitted by law, and for such other and further relief as may be proper under other provisions of law.



STEPHANIE YEE  
Supervising Special Investigator

Dated at Oakland, California,  
this 26th day of August, 2021.

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