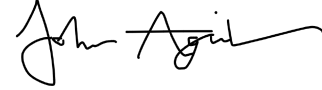


Kevin H. Sun, Counsel (SBN 276539)  
Department of Real Estate  
320 West 4th Street, Suite 350  
Los Angeles, California 90013-1105  
Telephone: (213) 576-6982  
Fax: (213) 576-6917  
Email: Kevin.Sun@dre.ca.gov  
*Attorney for Complainant*



BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of ) No. H-42667 LA  
)  
MCSSEN REALTY CORP., and MICKEY CAI, ) ACCUSATION  
individually and as designated officer of Mcsen )  
Realty Corp., )  
)  
Respondents. )  
)

The Complainant, Jason Parson, a Supervising Special Investigator of the State of California, for cause of Accusation against MCSSEN REALTY CORP. and MICKEY CAI (collectively "Respondents") alleges as follows:

1.

The Complainant, Jason Parson, a Supervising Special Investigator of the State of California, makes this Accusation in his 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.

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ACCUSATION

1 LICENSE HISTORY

2 (MCSEN REALTY CORP.)

3 3.

4 a. Respondent MCSEN REALTY CORP. (“MRC”) is presently licensed and/or  
5 has license rights under the Real Estate Law, Part 1 of Division 4 of the California Business  
6 and Professions Code, as a real estate corporation (“REC”), Department of Real Estate<sup>1</sup>  
7 (“Department”) license ID 02057740.

8 b. The Department originally issued MRC’s corporate license on March 9, 2018.  
9 MRC’s license is set to expire on March 8, 2026.

10 c. According to the Department’s records to date, MRC’s main office address is  
11 2955 Main Street, #300, Irvine, CA 92614.

12 d. According to the Department’s records to date, MRC employs approximately  
13 73 salespersons under its real estate license.

14 e. According to the Department’s records to date, MRC maintains fictitious  
15 business names of “McSen Commercial”, “McSen Realty”, and “OC Escrow a non independent  
16 escrow”.

17 (MICKEY CAI)

18 4.

19 (a) Respondent MICKEY CAI (“CAI”) is presently licensed and/or has license  
20 rights under the Real Estate Law, Part 1 of Division 4 of the California Business and  
21 Professions Code, as a real estate broker (“REB”), Department license ID 01961625.

22 (b) The Department originally issued CAI’s REB license on December 20, 2017.  
23 CAI’s license is scheduled to expire on December 19, 2025, unless renewed.

24 (c) CAI was the designated officer for MRC from March 9, 2018 to June 13,  
25 2022.

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27 <sup>1</sup> Between July 1, 2013 and July 1, 2018, the Department of Real Estate operated as the Bureau of Real Estate  
under the Department of Consumer Affairs.

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5.

At all times relevant herein Respondents were engaged in the business of, acted in the capacity of, advertised or assumed to act as a real estate corporation, within the meaning of Section 10131(b) of the Code. Respondents’ activities included the leasing or renting of real property and the collection of rents and security deposits for real property on behalf of others for compensation or in expectation of compensation.

6.

On or about August 24, 2022, the Department completed an audit examination of the books and records of MRC pertaining to the real estate activities described in Paragraph 5 above. The audit examination covered the period of time from June 1, 2020 through February 28, 2022 (“audit period”). The primary purpose of the examination was to determine Respondents’ compliance with the Real Estate Law. The audit examination revealed violations of the Code and the Regulations as set forth in the following paragraphs, and more fully discussed in Audit No. LA210090 and the exhibits and work papers attached to said audit report.

7.

At all times mentioned herein, and in connection with the property management activities described in Paragraph 5 above, MRC accepted or received funds, including funds in trust (“trust funds”) from or on behalf of the owners of the properties managed by MRC and thereafter made deposits and/or disbursements of such funds. MRC maintained one (1) bank account for handling of the receipts and disbursements of rents during the audit period in connection with the property management activities. The bank account is as follows:

Trust Account 1 (“TA 1”)

Bank: Bank of Southern California  
Account Name: MCSEN REALTY DBA OC ESCROW CLIENT TRUST ACCOUNT  
Account Number: xxxxxxxx7997  
Signatories: Mickey Cai, Lan Liu, Jie Yan

1 Signatures Required: One

2 Purpose: TA 1 was maintained to handle trust funds in the property management  
3 activity for multiple beneficiaries. According to TA 1's signature card provided for the audit,  
4 TA 1 was opened approximately August 6, 2018.

5 Violations of the Real Estate Law

6 8.

7 The audit examination revealed violations of the Code and the Regulations, as  
8 set forth in the following paragraphs, and more fully discussed in Audit Report No. LA210090  
9 and the exhibits and work papers attached to the audit report:

10 (a) **Trust Fund Records to be Maintained (Code section 10145 and**  
11 **Regulations sections 2831)**. Based on an examination of TA 1's records, Respondents failed to  
12 maintain complete and accurate columnar record for all trust funds received and disbursed  
13 (control record) for TA 1, which was used for Respondents' property management activities  
14 during the audit period in violation of Code section 10145 and Regulations sections 2831.

15 (b) **Trust Fund Handling/Separate Records for Each Beneficiary (Code**  
16 **section 10145 and Regulations sections 2831.1)**. Based on an examination of TA 1's records,  
17 Respondents failed to maintain complete and accurate separate records for each beneficiary or  
18 transaction of all trust fund receipts and disbursements for TA 1 in connection with  
19 Respondents' property management activities during the audit period in violation of Code  
20 section 10145 and Regulations section 2831.1. The separate records had incorrect ending  
21 balances.

22 (c) **Trust Fund Handling/Trust Account Reconciliation (Code section 10145**  
23 **and Regulations section 2831.2)**. Based on an examination of TA 1 records, Respondents did  
24 not maintain or provide an accurate monthly reconciliation for TA 1 during the audit period  
25 Code section 10145 and Regulations section 2831.2.

26 (d) **Handling Of Trust Fund /Commingling (Code sections 10145 and**  
27 **Regulations section 2835)**. Based on an examination of TA 1's records, Respondents failed to

1 disburse its commissions in connection with its property management activities within 25 days  
2 and maintained its own funds in TA 1 in excess of \$200 in violation of Code sections 10145  
3 and Regulations section 2835.

4 (e) **Responsibility of Corporate Office in Charge/Broker Supervision (Code**  
5 **sections 10159.2 and 10177(h) and Regulations section 2725).** Based on the violations in  
6 Paragraphs 8 (a)-(d) above, Respondent CAI failed to exercise adequate supervision and  
7 control over MRC's property management activities in violation of Code section 10159.2.  
8 Respondent CAI also failed to provide established policies, rules, procedures, and systems to  
9 review, oversee, inspect, and manage transactions requiring a real estate license and the  
10 handling of trust funds in violation of Regulations section 2725.

11 Additional Violations of the Real Estate Law

12 9.

13 The overall conduct of Respondents violates the Real Estate Law and constitutes  
14 cause for the suspension or revocation of their real estate license and license rights under the  
15 provisions of **Code Section 10177(g)** for negligence and **Code Section 10177(d)** for willful  
16 disregard of the Real Estate Law.

17 10.

18 Each of the foregoing violations in Paragraphs 8 (a)-(e) above constitute cause  
19 for the suspension or revocation of the real estate license and/or license rights of Respondents  
20 under the provisions of Code sections 10177(d), 10177(g), and 10177(h) (as to CAI).

21 COSTS

22 (AUDIT COSTS)

23 11.

24 Section 10148 of the Code, provides, in pertinent part, that the Real Estate  
25 Commissioner shall charge a real estate broker for the costs of any audit if the Commissioner  
26 has found in a final decision, following a disciplinary hearing, that the broker has violated  
27

1 Section 10145 of the Code or a regulation or rule of the Commissioner interpreting said Code  
2 section.

3 (INVESTIGATION AND ENFORCEMENT COSTS)

4 12.

5 Section 10106 of the Code, provides, in pertinent part, that in any order issued in  
6 resolution of a disciplinary proceeding before the Department, the Commissioner may request  
7 the administrative law judge to direct a licensee found to have committed a violation of this  
8 part to pay a sum not to exceed the reasonable costs of investigation and enforcement of the  
9 case.

10 (PRAYER)

11 WHEREFORE, Complainant prays that a hearing be conducted on the  
12 allegations of this Accusation and that upon proof thereof, a decision be rendered imposing  
13 disciplinary action against all the licenses and/or license rights of Respondents MCSSEN  
14 REALTY CORP. and MICKEY CAI under the Real Estate Law, for the costs of investigation  
15 and enforcement as permitted by law, for the cost of the audit, and for such other and further  
16 relief as may be proper under other applicable provisions of law.

17  
18 Dated at Los Angeles, California on Sep 26, 2023.

19  
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21 

22 Jason Parson  
23 Supervising Special Investigator

24 cc: MCSSEN REALTY CORP.  
25 MICKEY CAI  
26 Jason Parson  
27 Sacto.  
Audits – Chona Picayo

ACCUSATION