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FILED

MAR 08 2021

DEPARTMENT OF REAL ESTATE

By

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of:)
12 REALTY WORLD CHAMPIONS, INC. and)
13 RAYMOND CHIN-LEI ONG)
)
14 Respondents.)
)
15 _____)

No. H-12495 SF
ACCUSATION

16 The Complainant, STEPHANIE YEE, in her official capacity as Supervising Special
17 Investigator of the State of California, Department of Real Estate (“Department”), brings this
18 Accusation against REALTY WORLD CHAMPIONS, INC. (“RWC”) and RAYMOND CHIN-LEI
19 ONG (“ONG”), (collectively “Respondents”), and is informed and alleges as follows:

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21 RWC is presently licensed by the Department and/or has license rights under the
22 Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code (“Code”), as
23 a corporate real estate broker, License No. 02085597.

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25 ONG is presently licensed by the Department and/or has license rights under the
26 Real Estate Law, Part 1 of Division 4 of the Code as a real estate broker, License No.01113341.

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2 At all relevant times to this transaction, ONG was the designated broker officer for
3 RWC.

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

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11 Whenever reference is made in this Accusation to an act or omission of ONG, such
12 allegation shall be deemed to mean that ONG committed the act or omission while engaged in
13 furtherance of the business or operations of RWC and while acting within the course and scope of
14 her authority and employment.

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

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24 Beginning on April 21, 2020, and continuing through May 21, 2020, an audit was
25 conducted into the real estate business activities of RWC, located at 19925 Stevens Creek Blvd.
26 #100, Cupertino, CA 95014. The Department's auditor examined the business records of RWC for
27 the period of September 1, 2019, through February 29, 2020 ("audit period").

1 FIRST CAUSE OF ACTION
2 (Audit Violations as to Respondents)

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4 Each and every allegation made above in Paragraphs 1 through 7, inclusive, is
5 incorporated by reference as if fully set forth herein.

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7 While engaging in the real estate activities described above in Paragraph 6, and
8 within the audit period, Respondents accepted or received funds in trust ("trust funds") and
9 deposited or caused the trust funds to be deposited into the following accounts:

10 Bank Account #1

11 Bank Name: Bank of America
P.O. Box 15284, Wilmington, DE 19850
12 Account Name: DBA RWC Property Services
Raymond Ong Sole Prop.
13 Account No.: Last 4 Digits: 4627
14 Signatories: Raymond Chin-Lei Ong (REB)
Leighann Lienyu Sun Ong (Expired RES)
15 Description: Bank Account #1 was used to pay bank charges, salaries, and
expenses incurred to prepare properties for leasing.

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17 In the course of the real estate activities described above in Paragraph 6, and during
18 the audit period, the following was discovered:

19 a. As of February 29, 2020, there was a shortage of \$18,945.38 in Bank
20 Account #1. The shortage was caused by five properties with negative balances, in the amount of
21 \$4,472.33, and a balance of RWC's ledger totaling \$14,474.05. Respondents failed to obtain prior
22 written consent from the owners of the trust funds in Bank Account #1 so as to allow the balance of
23 the funds to drop below the accountability of the account, in violation of Section 10145 of the Code
24 and Section 2832.1 of Chapter 6, Title 10, California Code of Regulations ("Regulations");

25 b. RWC commingled \$44,530.00 of its own funds with trust funds in Bank
26 Account #1, in violation of Section 10176(e) of the Code; and

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1 c. Bank Account #1, which was used to handle trust funds, was not designated
2 as a trust account in the name of RWC, as trustee.

3 SECOND CAUSE OF ACTION
4 **(Failure to Supervise as to ONG)**

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6 Each and every allegation in Paragraphs 1 through 10, inclusive, is incorporated by
7 this reference as if fully set forth herein.

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9 As the designated officer for RWC, ONG was responsible for the supervision and
10 control over the activities conducted on behalf of RWC by the corporation's officers, employees
11 and agents, as necessary to ensure full compliance with all provisions of the Real Estate Law,
12 including the supervision of all salespersons licensed under the corporation in the performance of
13 acts for which a real estate license is required.

14 13

15 ONG failed to exercise reasonable supervision and control over the activities of
16 RWC. In particular, ONG permitted, ratified and/or caused the conduct described above to occur,
17 and failed to take reasonable steps, including but not limited to, supervision of employees and
18 agents, and the implementation of policies, rules and systems to ensure the compliance of the
19 business with the Real Estate Law and the Regulations.

20 THIRD CAUSE OF ACTION
21 **(Breach of Fiduciary Duties as to Respondents)**

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23 Each and every allegation in Paragraphs 1 through 13, inclusive, is incorporated by
24 reference as if fully set forth herein.

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At all relevant times herein, while acting as real estate agents, Respondents owed their principals fiduciary duties, including, but not limited to the following: duty of reasonable care and skill; duty of good faith; duty of loyalty; and duty of diligence.

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Respondents breached their fiduciary duties owed to their principals by engaging in the acts and/or omissions described above.

GROUND FOR DISCIPLINE

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Each and every allegation in Paragraphs 1 through 16, inclusive, is incorporated by this reference as if fully set forth herein.

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The acts and/or omissions of Respondents as alleged above in the FIRST CAUSE OF ACTION constitute grounds for the suspension or revocation of all licenses and license rights of Respondents pursuant to the following provisions:

As to Paragraph 10(a), under Sections 10145, 10177(d) and 10177(g) of the Code, in conjunction with Section 2832.1 of the Regulations;

As to Paragraph 10(b), under Sections 10145, 10176(e), 10177(d) and 10177(g) of the Code; and

As to Paragraph 10(c), under Sections 10145, 10177(d), and 10177(g) of the Code, in conjunction with Section 2832 of the Regulations.

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The acts and/or omissions of ONG as alleged above in the SECOND CAUSE OF ACTION further constitute grounds for the suspension or revocation of the license and license rights of ONG under Sections 10159.2, 10177(h), 10177(d), and 10177(g) of the Code.

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The acts and/or omissions of Respondents as alleged above in the THIRD CAUSE OF ACTION further constitute grounds for the suspension or revocation of the license and license rights of Respondents under Sections 10177(d) and 10177(g) of the Code.

COST RECOVERY

Each and every allegation made above in Paragraphs 1 through 20, inclusive, is incorporated by reference as if fully set forth herein.

The acts and/or omissions of Respondents as alleged above entitle the Department to reimbursement of the costs of its audit pursuant to Section 10148(b) (audit costs for trust fund handling violation) of the Code.

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 First Amended Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against all licenses and license rights of Respondents under the Code, for the cost of investigation and enforcement as permitted by law, for the cost of the audit, and for such other and further relief as may be proper under other provisions of law.



STEPHANIE YEE
Supervising Special Investigator

Dated at Fresno, California,
this 11th day of February, 2021.

1 DISCOVERY DEMAND

2 Pursuant to Sections 11507.6, *et seq.* of the *Administrative Procedure Act*, the
3 Department of Real Estate hereby makes demand for discovery pursuant to the guidelines set forth
4 in the *Administrative Procedure Act*. Failure to provide Discovery to the Department of Real Estate
5 may result in the exclusion of witnesses and documents at the hearing or other sanctions that the
6 Office of Administrative Hearings deems appropriate.

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