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APR 28 2022

DEPARTMENT OF REAL ESTATE

By Py dew

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BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of	)	
	)	No. H-12581 SF
FORREST GEE,	)	
	)	<u>ACCUSATION</u>
Respondent.	)	

The Complainant, STEPHANIE YEE, acting in her official capacity as a
Supervising Special Investigator of the State of California, for cause of Accusation against
FORREST GEE (Respondent), is informed and alleges as follows:

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At all times herein mentioned, Respondent was and is presently licensed and/or
has license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and
Professions Code (Code) by the Department of Real Estate (the Department) as a real estate
broker.

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At all times herein mentioned, Respondent engaged in the business of, acted in
the capacity of, advertised, or assumed to act as a real estate broker within the State of
California within the meaning of Section 10131(b) of the Code, including the operation and
conduct of a property management business with the public wherein, on behalf of others, for

1 compensation or in expectation of compensation, Respondent leased or rented or offered to
2 lease or rent, or solicited listings of places for rent or solicited for prospective tenants, or
3 negotiated the sale, purchase or exchange of leases on real property, or on a business
4 opportunity, or collected rent from tenants.

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6 Beginning on March 29, 2021, and continuing intermittently through November
7 19, 2021, an audit was conducted of the records of Respondent. The auditor examined the
8 records for the period of January 1, 2019, through February 28, 2021 (the audit period).

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10 Respondent, while acting as a real estate broker, as described in Paragraph 2,
11 accepted or received funds in trust (trust funds) from or on behalf of owners, lessees and others
12 in connection with property management activities, and deposited those funds into bank accounts
13 maintained by Respondent, at Wells Fargo Bank, P.O. Box 6995, Portland, OR 97228, including,
14 but not limited to:

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BANK ACCOUNT #1	
Account No.:	XXXXXX4667
Entitled:	FORREST GEE HUGH P GEE

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19 and thereafter from time-to-time made disbursement of said trust funds.

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21 In the course of the activities described in Paragraph 2, in connection with the
22 collection and disbursement of trust funds, it was determined that:

- 23 (a) Respondent failed to maintain an accurate columnar record in chronological
24 sequence of all trust funds received and disbursed (Control Record),
25 containing all required information for Bank Account #1, in violation of
26 Section 2831 of Chapter 6, Title 10, California Code of Regulations
27 (Regulations);

1 (b) Respondent failed to properly designate Bank Account #1 as a trust account in
2 the name of the broker as trustee, as required by Section 10145 of the Code
3 and Section 2832 of the Regulations;

4 (c) Respondent caused, suffered, or permitted funds of others which were
5 received and held by Respondent to be commingled with broker's personal
6 funds in Bank Account #1, in violation of Section 10176 (e) of the Code;

7 (d) Respondent collected and retained secret or undisclosed compensation,
8 commission, or profit through the disbursement of \$3,000.00 to Respondent
9 from Bank Account #1 on December 30, 2019, in violation of Section 10176
10 (g) of the Code.

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12 The acts and/or omissions described above constitute violations of Sections 2831
13 (Control Records) and 2832 (Bank Account Not Properly Designated as Trust Account) of the
14 Regulations, and Sections 10145 (Trust Fund Handling), 10176 (e) (Commingling), and 10176
15 (g) (Secret or Undisclosed Compensation) of the Code, and are grounds for discipline under
16 Sections 10177(d) (Willful Disregard of Real Estate Laws) and/or 10177(g)
17 (Negligence/Incompetence Licensee) of the Code.

18 COST RECOVERY

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20 Audit Costs

21 The acts and/or omissions of Respondent, as alleged above, entitle the
22 Department to reimbursement of the costs of its audits pursuant to Section 10148 (b) (Audit
23 Costs for Trust Fund Handling Violations) of the Code.

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25 Costs of Investigation and Enforcement

26 Section 10106 of the Code provides, in pertinent part, that in any order issued in resolution of a
27 disciplinary proceeding before the Department, the Real Estate Commissioner may request the

1 Administrative Law Judge to direct a licensee found to have committed a violation of this part to
2 pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

3 WHEREFORE, Complainant prays that a hearing be conducted on the allegations
4 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary
5 action against all licenses and license rights of Respondent under the Code, for the reasonable
6 cost of investigation and enforcement as permitted by law, for the cost of the audit, and for such
7 other and further relief as may be proper under other provisions of law.

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10 STEPHANIE YEE
11 Supervising Special Investigator

12 Dated at Oakland, California,
13 this 27th day of April, 2022

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16 DISCOVERY DEMAND

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