

FILED

OCT 23 2019

DEPT. OF REAL ESTATE

By *[Signature]*

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

| | | |
|---|---|--------------------|
| In the Matter of the Accusation of: |) | DRE No. H-41403 LA |
| |) | |
| SITSEEFly, INC and |) | |
| MICHAEL LEONIS, JR, individually |) | |
| and as designated officer of Sitseefly, |) | |
| Inc, |) | |
| Respondents. |) | |
| |) | |

DECISION

This Decision is being issued in accordance with the provisions of Section 11520 of the Government Code, on evidence of compliance with Section 11505 of the Government Code and pursuant to the Order of Default filed on September 26, 2019, and the Findings of Fact set forth herein, which are based on one or more of the following: (1) The express admissions of Respondents, SITSEEFly, INC. and MICHAEL LEONIS, JR. ("Respondents"); (2) affidavits; and (3) other evidence.

This Decision revokes one or more real estate licenses on the grounds of the violation of the Real Estate Law, Part 1 commencing with Section 10000 of the Business and Professions Code ("Code") and/or the Regulations of the Real Estate Commissioner, Title 10, Chapter 6 of the California Code of Regulations ("Regulations").

Pursuant to Government Code Section 11521, the California Department of Real Estate ("the Department") may order reconsideration of this Decision on petition of any party. The party seeking reconsideration shall set forth new facts, circumstances, and evidence, or errors in law or analysis, that show(s) grounds and good cause for the Commissioner to reconsider the Decision. If new evidence is presented, the party shall specifically identify the new evidence and explain why it was not previously presented. The Department's power to order reconsideration of this Decision shall expire 30 days after mailing of this Decision, or on the effective date of this Decision, whichever occurs first. The right to reinstatement of a revoked real estate license, or to the reduction of a penalty, is controlled by Section 11522 of the Government Code. A copy of Government Code Sections 11521 and 11522 and a copy of the Commissioner's Criteria of Rehabilitation are attached hereto for the information of respondents.

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FINDINGS OF FACT

1.

On July 10, 2019, Veronica Kilpatrick made the Accusation in her official capacity as a Supervising Special Investigator of the Department. The Accusation, Statement to Respondents, and Notices of Defense were mailed, by certified mail, return receipt requested, to Respondents' last known mailing address on file with the Department on July 12, 2019.

2.

On September 26, 2019, no Notice of Defense having been received or filed herein within the time prescribed by Section 11506 of the Government Code, Respondents' defaults were entered herein.

LICENSE HISTORY

(SITSEEFly, INC)

3.

a. Respondent SITSEEFly, INC ("SITSEEFly") is presently licensed as a corporate real estate broker, Department of Real Estate ("Department") license ID 01910239.

b. The Department originally issued SITSEEFly a real estate license on May 31, 2012. Respondent's license is scheduled to expire on May 30, 2020, unless renewed.

c. From October 2, 2012, through September 27, 2016, SITSEEFly maintained the authorized fictitious business name "Real Property Management Residential." According to the Department's records to date, SITSEEFly does not currently maintain any fictitious business names with the Department.

d. From May 31, 2012, through January 27, 2016, SITSEEFly's designated officer was real estate broker Jeffrey Carl Ault ("Ault"), Department license ID 01386369.

e. Since May 31, 2016 through the present, SITSEEFly's designated officer is Respondent MICHAEL LEONIS, JR ("LEONIS").

f. SITSEEFly is a California corporation, California Corporate number C3425228. LEONIS is the chief executive officer, secretary, chief financial officer, and director of SITSEEFly.

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(MICHAEL LEONIS, JR)

4.

a. Respondent LEONIS presently has license rights under the Code as a real estate broker, Department license ID 01452712.

b. The Department originally issued LEONIS a real estate salesperson license on September 13, 2004. On May 27, 2014, the Department issued LEONIS a real estate broker license, which expired on May 26, 2018. The Department retains jurisdiction over the lapsed license pursuant to Code section 10103.

c. LEONIS is currently the designated officer of Respondent SITSEEFly. As designated officer, LEONIS is responsible for the supervision of the activities conducted on behalf of SITSEEFly by its officers, agents, real estate licensees, and employees pursuant to Code section 10159.2.

d. According to the Department's records to date, LEONIS does not currently maintain any authorized fictitious business with the Department.

5.

To date, the Department has incurred investigation costs of \$2,105.65.

6.

Attached as Exhibit "A" is a true and correct copy of the Accusation filed on July 12, 2019, which is incorporated herein as part of this Decision.

DETERMINATION OF ISSUES

1.

The evidence established that Respondent SITSEEFly violated Code Sections 10148, 10159.5 10176(g), and Regulations 2731 and 2950(e) which justifies the suspension or revocation of the licenses and license rights of said Respondent.

2.

The evidence established that Respondent LEONIS violated Code Sections 10177(h) and 10159.2, which justifies the suspension or revocation of the licenses and license rights of said Respondent .

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3.

Each of the foregoing violations in Paragraphs 9 through 14 of the Accusation constitute cause for the suspension or revocation of the real estate license and/or license rights of Respondents SITSEEFly and LEONIS under the provisions of Code Sections 10177(d) and/or 10177(g).

4.

The standard of proof applied was clear and convincing evidence to a reasonable certainty.

ORDER

All licenses and licensing rights of Respondents SITSEEFly, INC. and MICHAEL LEONIS, JR under the provisions of Part I of Division 4 of the Business and Professions Code are revoked.

This Decision shall become effective at 12 o'clock noon on NOV 12 2019.

DATED: October 16, 2019.

DANIEL J. SANDRI
ACTING REAL ESTATE COMMISSIONER



1 Department of Real Estate
2 320 West Fourth St, Ste 350
3 Los Angeles, CA, 90013

FILED

SEP 26 2019

DEPT. OF REAL ESTATE

By R. P. S. Ode

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6
7
8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of:) DRE No. H-41403 LA
12)
13 MICHAEL LEONIS, JR, individually) DEFAULT ORDER
14 and as designated officer of Sitseefly,)
15 Inc,)
16 Respondent.)

17 Respondent MICHAEL LEONIS, JR, having failed to file a Notice of
18 Defense within the time required by Section 11506 of the Government Code, is now in
19 default. It is, therefore, ordered that a default be entered on the record in this matter.

20 IT IS SO ORDERED SEP 26 2019

21 DANIEL J. SANDRI
22 ACTING REAL ESTATE COMMISSIONER

23 By: 
24 JEFFREY OBOYSKI
25 Assistant Commissioner, Enforcement
26
27

1 Department of Real Estate
2 320 West Fourth St, Ste 350
3 Los Angeles, CA, 90013

FILED

SEP 26 2019

DEPT. OF REAL ESTATE

By *R. Postell*

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of:) DRE No. H-41403 LA
12 SITSEEFly, INC))
13))
14))
15 Respondent.))

16 Respondent SITSEEFly, INC., having failed to file a Notice of Defense
17 within the time required by Section 11506 of the Government Code, is now in default. It is,
18 therefore, ordered that a default be entered on the record in this matter.

19 IT IS SO ORDERED SEP 26 2019

20 DANIEL J. SANDRI
21 ACTING REAL ESTATE COMMISSIONER

22
23 By: 
24 JEFFREY OBOYSKI
25 Assistant Commissioner, Enforcement
26
27

EXHIBIT (A)

1 JUDITH B. VASAN, Counsel (SBN 278115)
2 Department of Real Estate
3 320 West 4th Street, Suite 350
4 Los Angeles, California 90013-1105
5 Telephone: (213) 576-6982
6 Direct: (213) 576-6904
7 Fax: (213) 576-6917
8 *Attorney for Complainant*

FILED

JUL 12 2019

DEPT. OF REAL ESTATE

By *John Aguirre*

9 BEFORE THE DEPARTMENT OF REAL ESTATE
10 STATE OF CALIFORNIA

11 * * *

12 In the Matter of the Accusation of) No. H-41403 LA
13)
14 SITSEEFly, INC and) ACCUSATION
15 MICHAEL LEONIS, JR, individually)
16 and as designated officer of Sitseefly, Inc,)
17 Respondents.)

18 The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the
19 State of California, for cause of Accusation against SITSEEFly, INC and MICHAEL
20 LEONIS, JR, individually and as designated officer of Sitseefly, Inc, (sometimes referred to as
21 "Respondents") alleges as follows:

22 1.

23 The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the
24 State of California, makes this Accusation in her official capacity.

25 2.

26 All references to the "Code" are to the California Business and Professions Code
27 and all references to the "Regulations" are to Title 10, Chapter 6, of the California Code of
Regulations.

ACCUSATION

1 LICENSE HISTORY

2 (SITSEEFly, INC)

3 3.

4 a. Respondent SITSEEFly, INC ("SITSEEFly") is presently licensed and/or
5 has license rights under the Code as a corporate real estate broker, Department of Real Estate
6 ("Department") license ID 01910239.

7 b. The Department originally issued SITSEEFly a real estate license on May
8 31, 2012. Respondent's license is scheduled to expire on May 30, 2020, unless renewed.

9 c. From October 2, 2012, through September 27, 2016, SITSEEFly maintained
10 the authorized fictitious business name "Real Property Management Residential." According to
11 the Department's records to date, SITSEEFly does not currently maintain any fictitious
12 business names with the Department.

13 d. From May 31, 2012, through January 27, 2016, SITSEEFly's designated
14 officer was real estate broker Jeffrey Carl Ault ("Ault"), Department license ID 01386369.

15 e. Since May 31, 2016 through the present, SITSEEFly's designated officer is
16 Respondent MICHAEL LEONIS, JR ("LEONIS").

17 e. c. SITSEEFly is a California corporation, California Corporate number
18 C3425228. LEONIS is the chief executive officer, secretary, chief financial officer, and director
19 of SITSEEFly.

20 (PRIOR LICENSE DISCIPLINE OF SITSEEFly)

21 4.

22 On or about December 1, 2015, in Department Case No. H-39728 LA, the Real
23 Estate Commissioner suspended SITSEEFly's real estate broker license for 90 days, 30 days
24 of which were stayed upon the payment of a monetary penalty and the remaining 60 days were
25 stayed under certain terms and conditions specified in the Commissioner's Decision, effective
26 on December 28, 2015.

27 ///

1 (MICHAEL LEONIS, JR)

2 5.

3 a. Respondent LEONIS presently has license rights under the Code as a real
4 estate broker, Department license ID 01452712.

5 b. The Department originally issued LEONIS a real estate salesperson license on
6 September 13, 2004. On May 27, 2014, the Department issued LEONIS a real estate broker
7 license, which expired on May 26, 2018. The Department retains jurisdiction over the lapsed
8 license pursuant to Code section 10103.

9 c. LEONIS is currently the designated officer of Respondent SITSEEFY. As
10 designated officer, LEONIS is responsible for the supervision of the activities conducted on
11 behalf of SITSEEFY by its officers, agents, real estate licensees, and employees pursuant to
12 Code section 10159.2.

13 d. According to the Department's records to date, LEONIS does not currently
14 maintain any authorized fictitious business with the Department.

15 (PRIOR LICENSE DISCIPLINE OF LEONIS)

16 6.

17 On or about December 1, 2015, in Department Case No. H-39728 LA, the Real
18 Estate Commissioner suspended LEONIS' real estate broker license for 45 days, 15 days of
19 which were stayed upon the payment of a monetary penalty and the remaining 30 days of the
20 suspension were stayed under certain terms and conditions specified in the Commissioner's
21 Decision, effective on December 28, 2015.

22 CAUSE FOR ACCUSATION

23 (AUDIT NO. LA170153)

24 7.

25 At all times relevant herein Respondent SITSEEFY was engaged in the
26 business of a real estate broker within the meaning of Section 10131(b) of the Code.
27 SITSEEFY's activities included the leasing or renting of real property and the collection of

ACCUSATION

1 rents and security deposits for real property on behalf of others for compensation or in
2 expectation of compensation.

3 8.

4 On or about August 30, 2018, the Department completed an audit examination
5 of the limited records of SITSEEFly pertaining to the real estate activities described in
6 Paragraph 7 above. The audit examination covered the period of time from December 29, 2015,
7 through March 31, 2018 ("audit period"). The primary purpose of the examination was to
8 determine Respondent's compliance with the Real Estate Law and pursuant to the Real Estate
9 Commissioner's Decision on December 1, 2015, in Case No. H-39728 LA, effective December
10 28, 2015. The audit examination revealed violations of the Code and the Regulations as set
11 forth in the following paragraphs, and more fully discussed in Audit No. LA170153 and the
12 exhibits and work papers attached to said audit report.

13 (SITSEEFly'S FAILURE TO RETAIN RECORDS)

14 9.

15 The Department auditor made several attempts to contact and meet with
16 LEONIS to conduct an audit of SITSEEFly's real estate activity. LEONIS failed to attend the
17 scheduled appointment with the auditor on March 15, 2018. On April 20, 2018, a Department
18 special investigator served a subpoena duces tecum on LEONIS to produce SITSEEFly's
19 books and records for the audit period. LEONIS failed to produce the requested books and
20 records for the audit examination.

21 10.

22 The Department scheduled an entrance conference with SITSEEFly's former
23 licensed officer Ault. On March 20, 2018, Ault met with the Department auditor. According to
24 Ault, he did not have any records related to SITSEEFly's property management activity. Ault,
25 however, provided a copy of his real estate broker license, SITSEEFly's Statement of
26 Information and Articles of Incorporation from the California Secretary of State, the
27 Independent Contractor Agreement between Ault and LEONIS dated February 23, 2013, emails

1 regarding the dissolution of Ault and LEONIS' business relationship, a copy of Real Property
2 Management's brochure, and Ault's written statement. According to Ault, all records were
3 maintained by LEONIS and since 2014, Ault did not have access to the office to obtain the
4 requested records for the audit. At the entrance conference with Ault, the Department auditor
5 served a subpoena duces tecum on Ault to produce SITSEEFly's books and records for the
6 audit period. SITSEEFly's books and records were not produced for the audit examination.

7 11.

8 As more fully discussed in Audit No. LA170153, SITSEEFly failed to produce
9 the books and records relating to its property management activity for the DRE auditor's
10 examination, inspection, and copying in violation of Code section 10148 and Regulation
11 section 2950(e).

12 (SITSEEFly'S SECRET PROFIT OR UNDISCLOSED COMPENSATION)

13 12.

14 On or about October 2, 2017, the Department received a complaint from T.M.¹
15 who hired "Real Property Management Residential," by and through LEONIS, to manage his
16 condominium located at 1650 S. Campus Avenue, Unit 91, Ontario, California ("Campus
17 property"). Real Property Management Residential was a fictitious business name for
18 SITSEEFly from October 2, 2012, through September 27, 2016. T.M. alleged that
19 SITSEEFly, doing business as Real Property Management Residential, "marked up" items
20 purchased for the Campus property and labor performed beyond the terms of their property
21 management agreement. T.M. provided documents relating to SITSEEFly's management of
22 the Campus property. Based on an examination of the documents provided by T.M. to the
23 auditor, SITSEEFly charged T.M. additional fees of at least \$673.32 during the period from
24 August 1, 2017 through September 1, 2017 for maintenance services at the Campus property in

25
26
27 ¹ Initials are used in place of individuals' full names to protect their privacy. Documents containing
individuals' full names will be provided during the discovery phase of this case to Respondents and/or
their attorney, after service of a timely and proper request for discovery on Complainant's counsel.

1 violation of Code section 10176(g). There was no evidence that T.M. authorized SITSEEFly
2 to charge the additional fees.

3 (USE OF FALSE OR FICTITIOUS BUSINESS NAME)

4 13.

5 SITSEEFly conducted property management services for T.M. using the
6 unlicensed fictitious business name "Real Property Management Residential" when
7 SITSEEFly was no longer a holder of the license bearing the fictitious name in violation of
8 Code section 10159.5 and Regulation section 2731.

9 (RESPONSIBILITY OF CORPORATE OFFICER IN CHARGE)

10 14.

11 Based on the violations set forth in Paragraphs 9 through 13 above, Respondent
12 LEONIS failed to exercise adequate supervision and control over the activities of Respondent
13 SITSEEFly to ensure compliance with the Real Estate Laws and Regulations in violation of
14 Code sections 10177(h) and 10159.2.

15 15.

16 Each of the foregoing violations in Paragraphs 9 through 14 above constitute
17 cause for the suspension or revocation of the real estate license and/or license rights of
18 Respondents SITSEEFly and LEONIS under the provisions of Code sections 10177(d) and/or
19 10177(g).

20 COSTS

21 (INVESTIGATION AND ENFORCEMENT COSTS)

22 16.

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

27 ///

1 WHEREFORE, Complainant prays that a hearing be conducted on the
2 allegations of this Accusation and that upon proof thereof, a decision be rendered imposing
3 disciplinary action against all the licenses and/or license rights of Respondents SITSEEFly,
4 INC and MICHAEL LEONIS, JR, individually and as designated officer of Sitseefly, Inc, under
5 the Real Estate Law, for the costs of investigation and enforcement as permitted by law, for the
6 cost of the audit, and for such other and further relief as may be proper under other applicable
7 provisions of law.

8
9 Dated at San Diego, California this 10 day of July, 2019.

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12 
13 Veronica Kilpatrick
14 Supervising Special Investigator
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23

24 cc: SITSEEFly, INC
25 MICHAEL LEONIS, JR
26 Veronica Kilpatrick
27 Sacto.
Audits – Isabel Beltran