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i	Counsel for Complainant DEPT. QF REAL ESTATE
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10	DEPARTMENT OF REAL ESTATE
11	STATE OF CALIFORNIA
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13	In the Matter of the Accusation of) No. H-42104 LA
14	JUNIUS JOHNSON, JR.) ACCUSATION
15	JUNIUS JOHNSON, JR.) <u>ACCUSATION</u>
16	Réspondents.
17	The Complainant, Veronica Kilpatrick, acting in her official capacity as a
18	Supervising Special Investigator of the State of California, for cause of Accusation against
19	JUNIUS JOHNSON, JR., is informed and alleges as follows:
20	1.
21	A A A A A A A A A A A A A A A A A A A
ŀ	All references to the "Code" are to the California Business and Professions Code
22	and all references to "Regulation" or "Regulations" are to Title 10, Chapter 6, California Code of
23	Regulations.
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DRE LICENSE HISTORY

2.

Licensure

Respondent JUNIUS JOHNSON, JR. ("JOHNSON"), f.k.a. Junius Johnson is presently licensed and/or has license rights as a real estate broker ("REB") under the Real Estate Law (Part 1 of Division 4 of the Code), Department of Real Estate ("DRE") license ID 00407357. JOHNSON was originally licensed as a REB on or about April 3, 1979.

3.

Affiliations

According to DRE records to date:

A. JOHNSON's main and mailing address are the same: (2401 W. 102nd Street, Inglewood, CA 90303);

B. JOHNSON has four (4) active DBAs: (1) A-ABC Mortgage company (active as of December 10, 1999); (2) A Auctioneer/Broker Company (active as of September 12, 1991); (3) L A City Properties (active as of December 23, 1997); and (4) Los Angeles City Properties (active as of December 23, 1997); and

C. JOHNSON has three (3) real estate salespersons ("RES") affiliated with his REB license.

4.

Prior License Discipline

On or about September 1, 2003, in DRE Accusation Case No. H-29666 LA, JOHNSON's REB license was suspended for thirty (30) days, stayed for one (1) year, for violation of: Code Section 10145 and Regulation 2832.1; Code Section 10145 and Regulation

DRE Accusation of Junius Johnson, Jr.

2831; Code Section 10145 and Regulation 2831.1; Code Section 10145 and Regulation 2831.2; Code Section 10145 and Regulation 2832; Code Section 10177(g); Regulation 2726; and Code Section 10177(d).

5.

Expiration

JOHNSON's REB license will expire on June 21, 2025.

APPLICABLE SECTIONS OF THE REAL ESTATE LAW

6.

Grounds for Revocation or Suspension

(Code Section 10176 (selected portions))

Pursuant to Code Section 10176 Grounds for Revocation or Suspension:

"The commissioner may, upon his or her own motion, and shall, upon the verified complaint in writing of any person, investigate the actions of any person engaged in the business or acting in the capacity of a real estate licensee within this state, and he or she may temporarily suspend or permanently revoke a real estate licensee at any time where the licensee, while a real estate licensee, in performing or attempting to perform any of the acts within the scope of this chapter has been guilty of any of the following:

- (a) Making any substantial misrepresentation.
- (b) Making any false promise of a character likely to influence, persuade, or induce.

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Cost Recovery

(Code Section 1016)

Pursuant to Code Section 10106 Cost Recovery of Investigations:

- "(a) Except as otherwise provided by law, 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.
- (b) In the case of a disciplined licensee that is a corporation or a partnership, the order may be made against the licensed corporate entity or licensed partnership.
- (c) A certified copy of the actual costs, or a good faith estimate of costs where actual costs are not available, signed by the commissioner or the commissioner's designated representative, shall be prima facie evidence of reasonable costs of investigation and prosecution of the case. The costs shall include the amount of investigative and enforcement costs up to the date of the hearing, including, but not limited to, charges imposed by the Attorney General.
- (d) The administrative law judge shall make a proposed finding of the amount of reasonable costs of investigation and prosecution of the case when requested pursuant to subdivision (a). The finding of the administrative law judge with regard to costs shall not be reviewable by the commissioner to increase the cost award. The commissioner may reduce or eliminate the cost award, or remand to the administrative law judge where the proposed decision fails to make a finding on costs requested pursuant to subdivision (a).
- (e) Where an order for recovery of costs is made and timely payment is not made as directed in the commissioner's decision, the commissioner may enforce the order for

FACTS DISCOVERED BY THE DRE

Melvin K. Complaint Package

9.

JOHNSON's Introduction of C to T&T

According to a complaint ("Complaint") submitted to the DRE by Dr. Melvin K. ("C") with attachments of the pertinent documents referenced within the Complaint, C sought a location in which to hold religious services and contacted JOHNSON, who indicated that he had a client (Jason T./T&T Pharmacy, hereinafter "T&T") who wished to vacate the facility that he was leasing. According to C, JOHNSON represented to him that T&T agreed to lease the facility located at 320 E. Manchester Blvd. ("subject property") to C, and all that JOHNSON needed to do was to secure approval from the property owner to sub-lease the property.

10.

8/5/19 Sub-Lease Agreement

Upon JOHNSON's assurances that said property owner approval was secured, C as "Assignee" and T&T as "Assignor" signed an "Assignment and Assumption of Lease and Consent of Lessor" ("sub-lease agreement") on August 5, 2019 and C paid \$5,000 in the form of two (2) checks drawn from the Chase Bank account for C's ministry, Divine Deliverance Ministries ("DDM"). Said August 5, 2019 sub-lease agreement bore a footer for "L.A. City Properties, 330 E. Manchester Blvd., Ste #B, Inglewood, CA 90301, Junius Johnson" and was signed by JOHNSON as broker.

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C's 8/5/19 Payments to T&T and JOHNSON

The \$5,000 that C paid was comprised of a \$2,500 check (check no. 172, bearing memo: "Deposit 330 Manchester") payable to "T&T Pharmacy" and a \$2,500 check (check no. 177, bearing memo: "LA City Properties") payable to "Junius Johnson."

12.

C's Conversion of Subject Property

After executing the August 5, 2019 sub-lease agreement and rendering payment to both T&T and JOHNSON, C and/or DDM spent \$12,000 converting the subject property, which T&T had operated as a pharmacy, to a place of worship.

13.

Notice To Quit

On or about a date not specified by C, the property owner served a "Notice to Permanently Perform Covenant or Quit" ("NTQ") dated October 20, 2019 and November 9 and 10, 2019 on T&T for violation of the agreed use provision of its lease, and ordered its removal of 'the unauthorized business of Divine Deliverance Ministries" within three (3) days.

14.

JOHNSON's Assurances to C Regarding Continued Occupation of Subject Property

According to C, when he contacted JOHSON regarding the NTQ, JOHNSON assured C that he could continue to occupy the subject property.

Reimbursement Request

According to C, when he contacted JOHNSON upon learning that the property owner would not honor the August 5, 2019 sub-lease agreement, and requested a reimbursement of the of the monies paid to him, JOHNSON indicated he would not provide reimbursement "because he did his job." To date, JOHNSON has not reimbursed C.

JOHNSON's Response to DRE Request for Information

16.

On or about July 20, 2020, JOHNSON answered the DRE's request for information regarding the subject property and supplied the responses and documents in his possession pertaining to the subject property.

17.

JOHNSON is Not the Property Manager of the Subject Property

According to JOHNSON, he/his office does not have a management file for the subject property, "as I was not handling Property Management for this Company," and "We are not the property manager of 320 E Manchester." JOHNSON indicated that all funds are wired to escrow; that lease fund checks are processed to the owners on the date that an agreement is signed; and that the commission check is payable to him as the REB.

18.

JOHNSON's Affiliation with the Subject Property

With respect to the subject property, JOHNSON stated that he leased the property next door (located at 330 E. Manchester #B) to the subject property when T&T's prior tenant

backed out of the sublease, and that C contacted JOHNSON regarding his need to lease a building.

19.

JOHNSON's Relationship with Subject Property Owner and Involvement in C's Sub-Lease

According to JOHNSON, he met with the owner of the subject property prior to C taking possession to review the contract and transition, and provided copies of the application, credit report and attachments. JOHNSON indicated that the only question at the time was which party was to pay the commission; he was informed that the sub-lessor would handle the commission. According to JOHNSON, "At that time, he did not deny the lessor his right to sublease the Owner stated he would give the agreement and documents to his assistant to have his partner sign as he had done with other Tenants." JOHNSON asserted, "As I have been working with Mohammad (the Owner) for over thirty (30) years, I accepted his word and understood that he had returned the Agreement to the Sub-Lessor."

20.

JOHNSON's Leasing Commission

JOHNSON understood that the \$5,000 that C paid was for the "1st Month Lease and Security Deposit that was paid to the Owner." According to Johnson, "My leasing commission is one month rent that I receive on signing the lease agreement in which the sub lessor paid from his proceeds."

21.

January 2020 E-Mails Between JOHNSON, C, and Jason T.

In his responsive documents to the DRE, JOHNSON included emails between himself, C and Jason T., including but not limited to the following:

Documents Relating to Subject Property

In his responsive documents to the DRE, JOHNSON included documents relating to the subject property, including but not limited to the following:

- A. 330 Manchester Management LLC: According to the Secretary of State's ("SOS") website, 330 Manchester Management LLC ("330 MM") is a California limited liability corporation ("LLC"), registered on November 8, 2013, SOS ID 201331610085 and presently "FTB Suspended." According to 330 MM's September 5, 2017 Statement of Information, it provides property management and Mohamad P. is its managing member, agent for service of process and chief executive officer.
- B. July 25, 2019 "Standard Sublease Multi-Tenant" Between T&T and James W.: On July 25, 2019, "Sublessor" T&T as "Sublessee" Optimum Synergy Enterprises (James W. as principal and guarantor) executed a document titled "Standard Sublease Multi-Tenant" ("sublease multi-tenant agreement") and identified as "20160720" for the subject property for the period commencing September 1, 2019 and ending April 30, 2021. (Said July 25, 2019 sub-lease multi-tenant agreement bore a footer for "L.A. City Properties, 330 E. Manchester Blvd., Ste #B, Inglewood, CA 90301, Junius Johnson" and was signed by JOHNSON as broker.)
- C. July 26, 2019 Sub-Lease Agreement Between T&T and James W.: On or about July 20, 25, and 26, 2019, T&T as "Assignor" and James W. as Assignee" signed a sub-lease agreement wherein T&T assigned all of its right,

title and interest in the property pursuant to its lease dated July 20, 2016, James W. <u>assumed</u> the lease, and T&T consented to the assignment and assumption of its lease. (Said July 26, 2019 sub-lease agreement bore a footer for "L.A. City Properties, 330 E. Manchester Blvd., Ste #B, Inglewood, CA 90301, Junius Johnson.")

- D. August 5, 2019 Sub-Lease Agreement Between T&T and C: On or about August 5, 2019, T&T as "Assignor" and C as Assignee" signed a sub-lease agreement wherein T&T assigned all of its right, title and interest in the property pursuant to its lease dated Jul 20, 2016 and C assumed the lease; however, 330 MM did not sign its consent to the assignment and assumption of its lease, as the "Consent of Assignment" section for 330 M has neither been signed nor filled in. (This document is also referenced above in Paragraph 10.) (Said August 5, 2019 sub-lease agreement bore a footer for "L.A. City Properties, 330 E. Manchester Blvd., Ste #B, Inglewood, CA 90301, Junius Johnson." Additionally, the copy of the August 5, 2019 sub-lease agreement provided by JOHNSON differs from the copy of the same document provided by C in that JOHNSON's copy bears a handwritten date and two initials that appear to be cursive "Js" on the "Date" line adjacent to C's signature.
- E. August 5, 2019 "Option(s) to Extend Standard Lease Addendum": On or about August 5, 2019, an "Option(s) to Extend Standard Lease Addendum" ("extension option") was initialed by "MK" and "KT" that memorialized lessor 330 M's grant to lessee T&T of an option to extend the lease on the

subject property for one (1) additional 24-month period. (Said August 5, 2019 extension option bore a footer for "L.A. City Properties, 330 E. Manchester Blvd., Ste #B, Inglewood, CA 90301, Junius Johnson.")

- F. August 5, 2019 "Guaranty of Lease": On or about August 5, 2019, a "Guaranty of Leases" ("guaranty of lease") was initialed by "MK" and "KT" on page 1, but unsigned at page 2. (Said August 5, 2019 guaranty of lease bore a footer for "L.A. City Properties, 330 E. Manchester Blvd., Ste #B, Inglewood, CA 90301, Junius Johnson.")
- G. November 9, 2019 NTQ: On or about November 9, 2019, an NTQ dated and witnessed on October 20, 2019 and November 9 and 10, 2019, signed by Clarissa B. as "Agent/Landlord" was served on T&T "and all others in possession" to remove "the unauthorized business of Divine Deliverance Ministries" within three (3) days.
- H. May 30, 2020 E-mail on Behalf of Property Owner Requesting Assistance in Securing Tenants for Subject Property: On or about May 30, 2020, Clarissa B., on behalf or, and by instruction of, the property owner and/or Mohamad P. requested assistance from JOHNSON in securing tenants to lease the subject property vacated by DDM and T&T.

Property Owner Mohamad P.'s Responses to DRE Request for Information

23.

Unanswered DRE E-mail

On September 30, 2020, DRE Special Investigator Lizzette C. ("the DRE SI") emailed property owner Mohamad P. regarding the sublease on the subject property between T&T and C, as crafted by JOHNSON. Specifically, the DRE SI asked Mohamad P. three (3) direct questions:

- A. "Did Junis [sic] Johnson have your prior approval to conduct the sublease between T&T Inc. and Melvin K.?"
- B. "During the transaction, were you aware of the sublease?"
- C. "Did you receive any funds/rental monies for the subject transaction?"

 To date, Mohamad P. has not responded to the DRE SI's September 30, 2020 e-mail.

24.

Unanswered DRE Letter

On January 13, 2021, the DRE SI sent to property owner Mohamad P. via U.S. Mail a letter to his address of record on file with the SOS regarding the sublease on the subject property between T&T and C, as crafted by JOHNSON. Specifically, the DRE SI asked Mohamad P.:

- A. "How did you (owner, Mohamad) meet JUNIUS JOHNSON JR.?"
- B. "Did JUNIUS JOHNSON JR. have your prior approval to sub-lease the subject property before he drafted the "Assignment and Assumption of Lease and Consent of Lessor between T&T, Inc. and Melvin K. dated 08/05/19?"

DRE Accusation of Junius Johnson, Jr.

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B. JOHNSON's professional resume;

C. an "Exclusive Listing Agreement for Sublease of Real Property (Non-Residential)" for the subject property dated June 8, 2020, that listed JOHNSON as the "Agent" for "Lessor" 330 MM (This document bore a footer for "kW Keller Williams Junius Johnson Broker Associate L.A. City Properties, 111 n [sic] La Brea Ave suite [sic] 500 INGLEWOOD, CA 90301 Junius Johnson.") D. a "Standard Industrial/Commercial Multi-Tenant Lease - Net" for the subject property dated April 16, 2016 between "Lessor" 330 MM and "Lessee" T&T (inclusive of Section 12.2 "Terms and Conditions Applicable to Assignment and Subletting") and signed by Mohamad P. and T&T on April 18, 2016; E. the unlawful detainer file for 330 Manchester Management, LLC v. T&T Care, Inc. dba T & T Pharmacy, Los Angeles County Case No. 19IWUD02510 (inclusive of the Conditional Stipulation to Pay and Stay and Other Terms executed by Mohammad P. and T&T); and F. an e-mail dated October 21, 2020 from Ana G. to Anderson on behalf of

Mohamad P. seeking review of sub-lease documents.

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Jason T. returned a Declaration dated December 22, 2020 to the DRE regarding

the sub-lease of the subject property. In his Declaration, Jason T. asserted the following:

28.

JOHNSON Approached Jason T. Regarding Sub-Leasing

According to Jason T. (on behalf of T&T), he was not acquainted with JOHNSON prior to JOHNSON's approach to his pharmacy, and there was never an agreement or contract between T&T and JOHNSON regarding the sub-lease of the subject property. According to Jason T., when JOHNSON came to his pharmacy, he asked multiple questions regarding the hallway and restroom that is shared with the adjacent unit. During their conversation, Jason T. mentioned that he/T&T would move out of the subject property around September or October (2019).

29.

JOHNSON Presented Sublease Documents to Jason T.

According to Jason T., a few weeks after his conversation with JOHNSON wherein he disclosed the timeframe during which he would move out of the subject property, JOHNSON returned and informed Jason T. that he might have tenants interested in taking over the subject property. JOHNSON brought three (3) different potential tenants to examine the subject property and asked Jason T. for a copy of his lease. According to Jason T., JOHNSON eventually returned with Melvin K. (C) and "a bunch of paperwork" for Jason T. to initial and sign. JOHNSON represented that the documents related to the sublease and informed Jason T.

that Melvin K. (C) would pay him (T&T/Jason T.) a security deposit in the amount of \$2,500 and pay JOHNSON \$2,500 as well for his representation of Melvin K. (C). 2 3 30. JOHNSON Made Assurances to Jason T. Regarding the Sub-Lease 4 5 According to Jason T., he indicated to JOHNSON many times that he would only sublease the subject property if it was all completed legally, to which JOHNSON "repeatedly 6 said yes." Relying on JOHNSON's assurances, Jason T./T&T moved out of the subject property 7 on September 30, 2019 and C moved in. Shortly thereafter, Jason T. received correspondence from the landlord's attorney notifying that he had violated the lease; Jason T. understood that to avoid a lawsuit, C had to vacate the subject property in 30 days. From that point on, Jason T. and 10 C sought assistance from JOHNSON, to no avail. According to Jason T., upon hiring an attorney 11 to negotiate with the landlord, C agreed to move out, and he (Jason T.) refunded C the \$2,500 12 13 that C paid him (check no. 172). 14 /// 15 /// 16 /// 17 /// 18 /// 19 /// 20 /// 21 /// 22 ///

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VIOLATIONS OF THE REAL ESTATE LAW - CAUSES FOR DISCIPLINE

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Complainant re-alleges and incorporates by reference the preceding paragraphs as set forth herein.

First, Second and Third Causes for Discipline

Violation of Code Section 10176(a) - Substantial Misrepresentation;

Violation of Code Section 10176(b) - False Promises; and Violation of Code Section 10176(i) - Dishonest Dealing

32.

In the course of the activities described above, and based on the facts discovered by the Department, also described above, REB JUNIUS JOHNSON JR. substantially misrepresented to the parties that the owner of the subject property consented to its sub-lease, both at the outset of the sub-lease between C and T&T, and after the property owner's issuance of the NTQ to T&T, the repeated assurances of consent of which he had no basis or substantiation, in violation of Code Sections 10176(a), 10176(b), and Code Section 10176(i). Said violations constitute cause for the suspension or revocation of all licenses and license rights of respondent JOHNSON under the Real Estate Law.

Fourth Cause for Discipline Violation of Code Section 10177(g) - Negligence

33.

In the course of the activities described above, and based on the facts discovered by the Department, also described above, REB JUNIUS JOHNSON JR. acted negligently or incompetently. Said acts constitute cause pursuant to Code Section 10177(g) for the suspension

or revocation of all licenses and licenses rights of respondent JOHNSON under the Real Estate Law

COSTS

34.

Code Section 10106 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 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 imposing disciplinary action against all the licenses and license rights of Respondent JUNIUS JOHNSON JR. under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code), and for such other and further relief as may be proper under other applicable provisions of law.

Dated at San Diego, California

Supervising Special Investigator

cc: Junius Johnson Jr. Veronica Kilpatrick Sacramento D.O.

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