

JUN 27 2022

DEPT. OF REAL ESTATE

By _____

1 LAURENCE D. HAVESON, Counsel (SBN 152631)
 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) 576-6854
 7 Fax: (213) 576-6917
 8 *Attorney for Complainant*

9 BEFORE THE DEPARTMENT OF REAL ESTATE
 10 STATE OF CALIFORNIA

11 * * *

12 In the Matter of the Accusation of) No. H-42269-LA
 13 CHRISTINE PATRICIA LEE,) ACCUSATION
 14 Respondent.)

15 The Complainant, Maria Suarez, a Supervising Special Investigator for the
 16 Department of Real Estate ("Department" or "DRE") of the State of California, for cause of
 17 Accusation against CHRISTINE PATRICIA LEE ("LEE" or "Respondent"), alleges as follows:

- 18 1. The Complainant, Maria Suarez, acting in her official capacity as a Supervising
 19 Special Investigator, makes this Accusation against Respondent.
- 20 2. All references to the "Code" are to the California Business and Professions Code
 21 and all references to "Regulations" are to Title 10, Chapter 6, California Code of Regulations.

22 **LICENSE HISTORY**

23 3. Respondent LEE has been licensed by the Department as a real estate broker
 24 ("REB"), License ID 01317826, from on or about May 25, 2004 through the present, with LEE's
 25 license scheduled to expire on May 24, 2024 unless renewed. LEE was previously licensed as a
 26 real estate salesperson ("RES"), from on or about September 13, 2001 through May 24, 2004.
 27 LEE maintains the fictitious business name, "Lee & Company," licensed by the DRE and active as
 28 of October 21, 2019. Previously, LEE maintained the fictitious business name, "The C. Lee

1 Group,” from on or about May 25, 2004 to on or about September 15, 2019. According to DRE
2 records to date, LEE has no branch offices and employs no salespersons.

3 **BROKERAGE: LEE**

4 4. At all times mentioned, in the Counties of Los Angeles and San Bernardino, LEE
5 acted as a real estate broker, conducting licensed activities within the meaning of Code section
6 10131(b): leasing or renting, offering to lease or rent, or collecting rents from real property for
7 others.

8 **FACTS DISCOVERED BY DRE**

9 5. On or about August 17, 2020, the DRE received a written complaint against LEE
10 and The C. Lee Group from D.J.^{1/} alleging that D.J., his wife L.J., and his mother, F.J., entered
11 into a property management agreement with LEE in which LEE agreed to manage a family tri-
12 plex located in Long Beach, California, beginning on November 1, 2019.

13 6. On or about October 7, 2019, D.J., F.J., and LEE executed a property management
14 agreement, which provided for LEE to receive property management fees of six percent (6%) of
15 gross, and five percent (5%) of annual lease amount for renting or leasing units. One of the units
16 of the tri-plex had a Section 8 tenant, which failed inspection in November 2019. When D.J. did
17 not receive the rental payment deposits for the tri-plex for November and December 2019, and
18 received no response from LEE after attempting to contact her by phone, text, and e-mail, D.J.
19 sent LEE a letter by certified mail terminating her services. While LEE e-mailed a response to
20 D.J., she did not provide rental payments for November and December 2019, or for January 2020.
21 On January 10, 2020, D.J. sent LEE a text message demanding payment of the rental deposits, but
22 LEE did not provide payment.

23 7. On March 20, 2020, D.J. filed an action in small claims court for \$5,624.96.

24 8. On or about November 9, 2020, the DRE received a written complaint against LEE
25 and The C. Lee Group from L.H. alleging that LEE breached a property management contract with

26 ///

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

1 L.H. in or around July 2019 by collecting a total of \$3,325.00 in rent from tenants residing in three
2 properties owned by L.H. and failing to pay such funds to L.H.

3 9. On or about September 27, 2019, L.H. filed a small claims action against LEE and
4 The C. Lee Group in San Bernardino County Superior Court, Case No. SMCFS1906755. On or
5 about June 18, 2020, the court entered judgment against LEE and the C. Lee Group, and awarded
6 L.H. \$3,325.00 plus \$430.00 in costs, for a total judgment of \$3,755.00 against LEE.

7 **VIOLATIONS OF THE REAL ESTATE LAW – CAUSES FOR DISCIPLINE**

8 10. In the course of the activities described above in Paragraph 4, and based on the
9 facts discovered by the DRE, as described in Paragraphs 5 through 9 above, LEE acted in violation
10 of the Code and Regulations as follows.

11 **First Cause of Accusation: Code sections 10145 and 10176(i): Handling of Trust Funds;**
12 **Fraud or Dishonest Dealing**

13 11. The Complainant realleges and incorporates by reference all of the allegations
14 contained in paragraphs 1 through 10 above, with the same force and effect as though fully set
15 forth herein.

16 12. LEE collected trust funds from tenants renting properties from D.J. and L.H., but
17 did not disburse such trust funds to D.J. and L.H. in accordance with the property management
18 agreements LEE entered into with D.J. and L.H., in violation of **Code sections 10145 and**
19 **10176(i)**. Such violations of Code sections 10145 and 10176(i) constitute cause for the suspension
20 or revocation of LEE's real estate license and license rights under the provisions of **Code sections**
21 **10176(i), and 10177(d) and/or (g)**.

22 **Second Cause of Accusation: Breach Of Fiduciary Duties**

23 13. LEE entered into written property management agreements ("PMA") with D.J. and
24 L.H., the residential property owners, for the purpose of granting LEE the exclusive right to rent,
25 lease, operate, and manage the properties on behalf of the owners. The PMAs used by LEE
26 provided LEE with the authority to collect rents, other fees, charges, and security deposits. LEE
27 engaged in licensed activities within the meaning of Code section 10131(b) on behalf of the
28 residential property owners that contracted with LEE under the PMAs: leasing or renting, offering

1 to lease or rent, or collecting rents from real property for others, and other property management
2 activities. Through LEE's real estate activities on behalf of the residential property owners, LEE
3 created a fiduciary relationship with each residential property owner.

4 14. Between July 2019 and January 2020, LEE engaged in a fraudulent course of
5 conduct of collecting trust funds from tenants residing in properties owned by D.J. and L.H. and
6 failing to disburse such trust funds to D.J. and L.H.

7 15. At all relevant times herein, while acting as a real estate broker and property
8 manager, LEE owed the residential property owners fiduciary duties, including, but not limited to
9 the following: duty of reasonable care and skill; duty of good faith; duty of loyalty; duty to
10 diligently exercise reasonable care, diligence, and skill in representing the residential property
11 owners and in the performance of the responsibilities agreed to in the PMAs; duty to avoid
12 conflicts of interest; duty of fullest disclosure of all material facts affecting the residential property
13 owners' rights and interests; duty not to use or deal with rents or other charges and expenses due
14 for any other purpose unconnected with the PMAs and property management activities; duty to
15 manage the properties and trust funds solely in the interests of the residential property owners;
16 duty to take and keep control of and preserve the residential property owners' properties and trust
17 funds; duty to fully account in a timely manner for all funds and property received in which the
18 residential property owners have or may have an interest; duty to obediently, efficiently and
19 promptly follow the lawful instructions of his or her client; and duty to exercise the utmost
20 honesty, absolute candor, integrity, and unselfishness toward the residential property owners.

21 16. In the course of the activities described above in paragraphs 1 through 15, and
22 based on the facts discovered by the DRE, LEE's acts and/or omissions constitute breaches of her
23 fiduciary duties, and constitute cause for the suspension or revocation of LEE's real estate license
24 and license rights under the provisions of **Code sections 10177(d) and/or 10177(g) and**
25 **Regulation 2830.**

26 INVESTIGATION AND ENFORCEMENT COSTS

27 17. Code section 10106 provides that in any order issued in resolution of a disciplinary
28 proceeding before the Department of Real Estate, the 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 action
5 against the license and license rights of CHRISTINE PATRICIA LEE under the Real Estate Law,
6 for the costs of investigation and enforcement, and audit as permitted by law, and for such other
7 and further relief as may be proper under other applicable provisions of law, and for costs of audit.

8
9 Dated at Los Angeles, California this 23rd day of June, 2022.

10
11
12 *Maria Suarez*
13 _____
14 Maria Suarez
15 Supervising Special Investigator

14 cc: CHRISTINE PATRICIA LEE
15 Maria Suarez
16 Sacto.