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FILED
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DEPT. OF REAL ESTATE
By *[Signature]*

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation against	)	No. H-43066 LA
	)	
MIKE KOBEISSI,	)	ACCUSATION
	)	
Respondent.	)	
	)	

The Complainant, Ray Dagnino, acting in his official capacity as a Supervising Special Investigator of the State of California, for cause of Accusation against MIKE KOBEISSI f.k.a. Mohammad Kobeissi (Respondent), is informed and alleges as follows:

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

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DRE Accusation against Mike Kobeissi, H-43066 LA

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1 will retain renewal rights, and pursuant to Code Section 10103, the DRE will retain
2 jurisdiction.

3 6.

4 According to DRE records to date and publicly accessible online at the
5 aforementioned DRE website described in Paragraph 2, Respondent's DRE license does not
6 have any history of disciplinary action.

7 **FACTS DISCOVERED BY THE DEPARTMENT**

8 **CRIMINAL CONVICTION**

9 7.

10 **07-06-26 Conviction for Violation of**

11 **Business and Professions Code Section 17500**

12 **(State of California, Los Angeles County Case No. 25GDCM00099)**

13 According to certified court records (certified on August 27, 2026 and
14 September 1, 2026), on or about January 21, 2025, in the Superior Court of California, County
15 of Los Angeles, in Case No. 25GDCM00099, The People of the State of California vs. Mike
16 Kobeissi, a Criminal Complaint was filed that charged Respondent with violation of: [Count 1]
17 Penal Code (PC) Section 396(E) (price gouging), a misdemeanor. The underlying facts,
18 according to said Complaint, are that Respondent raised the rental price advertised, offered and
19 charged for housing located in La Canada Flintridge, California, by more than ten percent
20 (10%) upon the proclamation and declaration of a state of emergency by Governor Gavin
21 Newsom on January 7, 2025, and within 30 days following said proclamation and declaration¹.

22 _____
23 ¹ On January 7, 2025, Governor Gavin Newsom proclaimed a State of Emergency to exist in Los Angeles and
24 Ventura Counties due to fire and windstorm conditions that caused multiple fires, including, but not limited to the
25 Eaton Fire. On January 16, 2025, Governor Newsom issued Executive Order N-9-25, which extended to March 8,
2025 protections to prohibit price gouging for rental housing and hotel and motel rates. On March 7, 2025,
Governor Newsom ordered that "The provisions of Penal Code section 396, subdivision (d)...prohibiting price
gouging for rental housing in times of emergency, and subdivision (f) of that section, prohibiting eviction of a

26 DRE Accusation against Mike Kobeissi, H-43066 LA

1 8.

2 According to the aforementioned certified court records described above in
3 Paragraph 7, on July 6, 2026, in Los Angeles County Case No. 25GDCM00099, on the
4 People's motion, the Complaint was amended to add as Count 2 a violation of Business and
5 Professions (BP) Code Section 17500 (making false or misleading statements in advertising), a
6 misdemeanor. On the same day, Respondent entered a plea of *nolo contendere* as to Count 2,
7 which the Court approved.

8 9.

9 According to the aforementioned certified court records described above in
10 Paragraph 7, also on July 6, 2026, in Los Angeles County Case No. 25GDCM00099, the Court
11 found Respondent guilty, suspended sentencing, and placed him on summary probation for
12 twelve (12) months, subject to the following conditions:

- 13 a. write a letter of apology to the [victim] family;
- 14 b. enroll in and complete a Professional Ethics Course (National
15 Association of Realtors);
- 16 c. pay \$20,000 in donations to a victim assistance/disaster relief fund;
- 17 d. pay a probation revocation restitution fine in the same amount as the
18 restitution fine, pursuant to PC Section 1202.44, with payment stayed
19 until probation is revoked and the sentence is imposed; and
- 20 e. obey all laws and orders of the Court.

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25 residential tenant and re-letting the unit at a higher price, shall remain in effect for Los Angeles County until July
1, 2025..."

26 DRE Accusation against Mike Kobeissi, H-43066 LA

10.

The Court ordered Respondent to pay a restitution fine in the amount of \$150.00 pursuant to Penal Code Section 1202.4(B), which case total fines and/or fees in the amount of \$220.00 are due on or before April 6, 2027.

NON-REPORT OF THE CONVICTION TO THE DRE
(State of California, Los Angeles County Case No. 25GDCM00099)

11.

According to DRE records to date, Respondent did not report in writing to the Department, the aforementioned conviction in Los Angeles County Case No. 25GDCM00099, as described above in Paragraphs 7 through 10, within thirty (30) days of the July 6, 2026 conviction date.

APPLICABLE SECTIONS OF THE REAL ESTATE LAW

12.

Code Section 490

(Conviction of Crime)

Pursuant to Code Section 490 *Conviction of Crime – Relationship of Crime to Licensed Activity*:

“(a) In addition to any other action that a board is permitted to take against a licensee, a board may suspend or revoke a license on the ground that the licensee has been convicted of a crime, if the crime is substantially related to the qualifications, functions, or duties of the business or profession for which the license was issued.

(b) Notwithstanding any other provision of law, a board may exercise any authority to discipline a licensee for conviction of a crime that is independent of the authority

DRE Accusation against Mike Kobeissi, H-43066 LA

1 granted under subdivision (a) only if the crime is substantially related to the qualifications,
2 functions, or duties of the business or profession for which the licensee's license was issued.

3 (c) A conviction within the meaning of this section means a plea or verdict of
4 guilty or a conviction following a plea of nolo contendere. An action that a board is permitted
5 to take following the establishment of a conviction may be taken when the time for appeal has
6 elapsed, or the judgment of conviction has been affirmed on appeal, or when an order granting
7 probation is made suspending the imposition of sentence, irrespective of a subsequent order
8 under Section 1203.4 of the Penal Code.

9 (d) The Legislature hereby finds and declares that the application of this section
10 has been made unclear by the holding in *Petropoulos v. Department of Real Estate* (2006) 142
11 Cal.App.4th 554, and that the holding in that case has placed a significant number of statutes
12 and regulations in question, resulting in potential harm to the consumers of California from
13 licensees who have been convicted of crimes. Therefore, the Legislature finds and declares that
14 this section establishes an independent basis for a board to impose discipline upon a licensee,
15 and that the amendments to this section made by Chapter 33 of the Statutes of 2008 do not
16 constitute a change to, but rather are declaratory of, existing law.”

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Regulation 2910

(Substantial Relationship)

Pursuant to Regulation 2910 *Criteria of Substantial Relationship*:

“(a) When considering whether a license should be denied, suspended or revoked on the basis of the conviction of a crime, or on the basis of an act described in Section 480(a)(2) or 480(a)(3) of the Code, the crime or act shall be deemed to be substantially related to the qualifications, functions or duties of a licensee of the Bureau within the meaning of Sections 480 and 490 of the Code if it involves:

(1) The fraudulent taking, obtaining, appropriating or retaining of funds or property belonging to another person.

(2) Counterfeiting, forging or altering of an instrument or the uttering of a false statement.

(3) Willfully attempting to derive a personal financial benefit through the nonpayment or underpayment of taxes, assessments or levies duly imposed upon the licensee or applicant by federal, state, or local government.

(4) The employment of bribery, fraud, deceit, falsehood or misrepresentation to achieve an end.

(5) Sexually related conduct affecting a person who is an observer or non-consenting participant in the conduct or convictions which require registration pursuant to the provisions of Section 290 of the Penal Code.

(6) Willfully violating or failing to comply with a provision of Division 4 of the Business and Professions Code of the State of California.

1 (7) Willfully violating or failing to comply with a statutory requirement
2 that a license, permit or other entitlement be obtained from a duly
3 constituted public authority before engaging in a business or course of
4 conduct.

5 (8) Doing of any unlawful act with the intent of conferring a financial or
6 economic benefit upon the perpetrator or with the intent or threat of
7 doing substantial injury to the person or property of another.

8 (9) Contempt of court or willful failure to comply with a court order.

9 (10) Conduct which demonstrates a pattern of repeated and willful
10 disregard of law.

11 (11) Two or more convictions involving the consumption or use of
12 alcohol or drugs when at least one of the convictions involve driving and
13 the use or consumption of alcohol or drugs.

14 (b) The conviction of a crime constituting an attempt, solicitation or conspiracy
15 to commit any of the above enumerated acts or omissions is also deemed to be substantially
16 related to the qualifications, functions or duties of a licensee of the department.

17 (c) If the crime or act is substantially related to the qualifications, functions or
18 duties of a licensee of the department, the context in which the crime or acts were committed
19 shall go only to the question of the weight to be accorded to the crime or acts in considering the
20 action to be taken with respect to the applicant or licensee.”

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Code Section 10177

(Selected Portions)

Pursuant to Code Section 10177 *Further Grounds for Disciplinary Action:*

“The commissioner may suspend or revoke the license of a real estate licensee, delay the renewal of a license of a real estate licensee, or deny the issuance of a license to an applicant, who has done any of the following, or may suspend or revoke the license of a corporation, delay the renewal of a license of a corporation, or deny the issuance of a license to a corporation, if an officer, director, or person owning or controlling 10 percent or more of the corporation’s stock has done any of the following:

(a) Procured, or attempted to procure, a real estate license or license renewal, for themselves or a salesperson, by fraud, misrepresentation, or deceit, or by making a material misstatement of fact in an application for a real estate license, license renewal, or reinstatement.

(b) (1) Entered a plea of guilty or no contest to, or been found guilty of, or been convicted of, a felony, or a crime substantially related to the qualifications, functions, or duties of a real estate licensee, and the time for appeal has elapsed or the judgment of conviction has been affirmed on appeal, irrespective of an order granting probation following that conviction, suspending the imposition of sentence, or of a subsequent order under Section 1203.4 of the Penal Code allowing that licensee to withdraw that licensee’s plea of guilty and to enter a plea of not guilty, or dismissing the accusation or information.

1 (2) Notwithstanding paragraph (1), and with the recognition that
2 sentencing may not occur for months or years following the entry
3 of a guilty plea, the commissioner may suspend the license of a
4 real estate licensee upon the entry by the licensee of a guilty plea
5 to any of the crimes described in paragraph (1). If the guilty plea
6 is withdrawn, the suspension shall be rescinded and the license
7 reinstated to its status prior to the suspension. The department
8 shall notify a person whose license is subject to suspension
9 pursuant to this paragraph of that person's right to have the issue
10 of the suspension heard in accordance with Section 10100..."

11 15.

12 Code Section 10186.2

13 (Reporting)

14 Pursuant to Code Section 10186.2 *Reporting of Convictions, Indictments and*
15 *License Disciplinary Actions:*

16 "(a) (1) A licensee shall report any of the following to the department:

17 (A) The bringing of a criminal complaint, information, or indictment
18 charging a felony against the licensee.

19 (B) The conviction of the licensee, including any verdict of guilty, or
20 plea of guilty or no contest, of any felony or misdemeanor.

21 (C) Any disciplinary action taken by another licensing entity or authority
22 of this state or of another state or an agency of the federal government.

23 (2) The report required by this subdivision shall be made in writing within 30
24 days of the date of the bringing of the indictment or the charging of a
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26 DRE Accusation against Mike Kobeissi, H-43066 LA

1 felony, the conviction, or the disciplinary action.

2 (b) Failure to make a report required by this section shall constitute a cause for
3 discipline.”

4 16.

5 Code Section 10106

6 (Costs)

7 Pursuant to Code Section 10106 *Cost Recovery of Investigations*:

8 “(a) Except as otherwise provided by law, in any order issued in resolution of a
9 disciplinary proceeding before the department, the commissioner may request the
10 administrative law judge to direct a licensee found to have committed a violation of this part to
11 pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

12 (b) In the case of a disciplined licensee that is a corporation or a partnership, the
13 order may be made against the licensed corporate entity or licensed partnership.

14 (c) A certified copy of the actual costs, or a good faith estimate of costs where
15 actual costs are not available, signed by the commissioner or the commissioner’s designated
16 representative, shall be prima facie evidence of reasonable costs of investigation and
17 prosecution of the case. The costs shall include the amount of investigative and enforcement
18 costs up to the date of the hearing, including, but not limited to, charges imposed by the
19 Attorney General.

20 (d) The administrative law judge shall make a proposed finding of the amount of
21 reasonable costs of investigation and prosecution of the case when requested pursuant to
22 subdivision (a). The finding of the administrative law judge with regard to costs shall not be
23 reviewable by the commissioner to increase the cost award. The commissioner may reduce or
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26 DRE Accusation against Mike Kobeissi, H-43066 LA

1 eliminate the cost award, or remand to the administrative law judge where the proposed
2 decision fails to make a finding on costs requested pursuant to subdivision (a).

3 (e) Where an order for recovery of costs is made and timely payment is not
4 made as directed in the commissioner's decision, the commissioner may enforce the order for
5 repayment in any appropriate court. This right of enforcement shall be in addition to any other
6 rights the commissioner may have as to any licensee to pay costs.

7 (f) In any action for recovery of costs, proof of the commissioner's decision
8 shall be conclusive proof of the validity of the order of payment and the terms for payment.

9 (g) (1) Except as provided in paragraph (2), the department shall not renew or
10 reinstate the license of any licensee who has failed to pay all of the costs ordered under this
11 section.

12 (2) The department may, in its discretion, conditionally renew or reinstate
13 for a maximum of one year the license of any licensee who demonstrates
14 financial hardship and who enters into a formal agreement with the
15 department to reimburse the department within that one-year period for the
16 unpaid costs.

17 (h) All costs recovered under this section shall be considered a reimbursement
18 for costs incurred and shall be deposited in the Real Estate Fund to be available,
19 notwithstanding Section 10451, upon appropriation by the Legislature.

20 (i) Nothing in this section shall preclude the department from including the
21 recovery of the costs of investigation and enforcement of a case in any stipulated settlement."

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FIRST CAUSE FOR DISCIPLINE
(SUBSTANTIALLY RELATED CRIME)

17.

The crime of which Respondent was convicted in Los Angeles County Case No. 25GDCM00099, as described above in Paragraphs 7 through 10 (BP Section 17500), by its facts and circumstances, bears a substantial relationship under Section 2910, Title 10, Chapter 6, California Code of Regulations to the qualifications, functions or duties of a real estate licensee.

18.

The crime of which Respondent was convicted in Los Angeles County Case No. 25GDCM00099, as described above in Paragraphs 7 through 10, constitutes cause under **Code Sections 490 and 10177(b)** for the suspension or revocation of Respondent's REB license, license rights and associated license endorsements, if any, under the Real Estate Law.

SECOND CAUSE FOR DISCIPLINE
(FAILURE TO REPORT)

19.

Respondent's failure to report the conviction in Los Angeles County Case No. 25GDCM00099 for violation of BP Section 17500, as described above in Paragraph 11, in conjunction with Paragraphs 7 through 10, constitutes cause for discipline under **Code Section 10186.2** of the REB license, license rights and associated license endorsements, if any, of Respondent under the Real Estate Law.

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DRE Accusation against Mike Kobeissi, H-43066 LA

COSTS

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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 licenses and/or license rights and/or associated license endorsements under the Real Estate Law (Part 1 of Division 4 of the California Business and Professions Code) of **MIKE KOBEISSI** for the cost of investigation and enforcement as permitted by law, and for such other and further relief as may be proper under applicable provisions of law.

Dated at Los Angeles:

9-9-2026


Ray Dagnino
Supervising Special Investigator

cc: Mike Kobeissi
LA Enforcement – J. Salazar, R. Dagnino
Sacto.

DRE Accusation against Mike Kobeissi, H-43066 LA