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BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

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In the Matter of the Accusation against

DRE No. H-43088 LA

SUNSHINE REALTY GROUP, INC.;

ACCUSATION

DENNIS E. WONG, individually, and
as the former designated officer for
Sunshine Realty Group, Inc.; and

CHRISTINA YAO WONG, individually, and as a
former licensed officer for Sunshine Realty Group,
Inc. and as the current designated officer for
Sunshine Realty Group, Inc.,

Respondents.

The Complainant, Ray Dagnino, a Supervising Special Investigator for the Department of
Real Estate¹ ("Department") of the State of California, for cause of Accusation against
SUNSHINE REALTY GROUP, INC.; DENNIS E. WONG, individually, and as the former
designated officer for Sunshine Realty Group, Inc.; and CHRISTINA YAO WONG,

¹ Between July 1, 2013, and July 1, 2018, the Department of Real Estate operated as the Bureau of Real Estate under
the Department of Consumer Affairs.

1 individually, and as a former licensed officer for Sunshine Realty Group, Inc. and the current
2 designated officer for Sunshine Realty Group, Inc. (collectively "Respondents"), alleges as
3 follows:

4 1. The Complainant, Ray Dagnino, acting in his official capacity as a Supervising
5 Special Investigator, makes this Accusation against Respondents.

6 2. All references to the "Code" are to the California Business and Professions Code,
7 all references to the "Real Estate Law" are to Part 1 of Division 4 of the Code, and all references
8 to "Regulations" are to the Regulations of the Real Estate Commissioner, Title 10, Chapter 6,
9 California Code of Regulations.

10 Licenses

11 3. Respondents are presently licensed and/or have license rights under the Real
12 Estate Law (Part 1 of Division 4 of the Code).

13 4. On June 14, 2018, the Department issued a real estate corporation license to
14 Respondent SUNSHINE REALTY GROUP, INC. ("SRGI"), License ID 02066082. Respondent
15 SRGI's license is scheduled to expire on June 13, 2026, unless renewed. Respondent has
16 renewal rights pursuant to Code section 10201. The Department retains jurisdiction pursuant to
17 Code section 10103.

18 5. On March 8, 2011, the Department issued a real estate broker license to
19 Respondent DENNIS E. WONG ("D. WONG"), License ID 01895999. Respondent D. WONG's
20 broker license is scheduled to expire on November 21, 2028, unless renewed. Respondent has
21 renewal rights pursuant to Code section 10201. The Department retains jurisdiction pursuant to
22 Code section 10103.

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1 6. On or about July 8, 1977, the Department issued a real estate broker license to
2 Respondent CHRISTINA YAO WONG ("C. WONG"), License ID 00533418. Respondent C.
3 WONG's broker license is scheduled to expire on July 7, 2029, unless renewed. Respondent has
4 renewal rights pursuant to Code section 10201. The Department retains jurisdiction pursuant to
5 Code section 10103.

6 7. From June 14, 2018, through June 21, 2024, Respondent C. WONG was licensed
7 as an additional licensed broker-officer for Respondent SRGI.

8 8. From June 14, 2018, through June 21, 2024, Respondent SRGI was licensed as a
9 corporate real estate broker by and through Respondent D. WONG as the designated broker-
10 officer for Respondent SRGI to qualify said corporation and to act for said corporation as a real
11 estate broker.

12 CAUSE OF ACCUSATION - AUDIT LA 230007

13 9. Whenever reference is made in an allegation in this Accusation to an act or
14 omission of Respondent SRGI, such allegation shall be deemed to mean that the officers,
15 directors, employees, agents and/or real estate licensees employed by or associated with
16 Respondent SRGI, committed such act or omission while engaged in the furtherance of the
17 business or operations of such corporate respondent and while acting within the course and
18 scope of their authority and employment.

19 10. At all times relevant herein, in the State of California, Respondents engaged in
20 activities that require a real estate broker license within the meaning of Code section 10131,
21 subdivision (b). Respondents' activities included soliciting or offering to negotiate the sale,
22 purchase or exchange of leases for real property and the collection of rents or security deposits
23 on real property or on a business opportunity for others, for compensation or in expectation of
24 compensation.

1 11. On or about May 14, 2024, the Department completed a routine audit examination
2 of the books and records of Respondent SRGI's property management activities, which require a
3 real estate license pursuant to Code section 10131, subdivision (b), to determine if Respondents
4 handled and accounted for trust funds in compliance with the Real Estate Law and the
5 Regulations.

6 12. On August 2, 2023, an auditor for the Department held an entrance conference
7 with SRGI Designated Officer (D.O.) Respondent D. WONG and SRGI licensed officer,
8 Respondent C. WONG.

9 13. Respondent C. WONG is the mother of Respondent D. WONG.

10 14. Respondent SRGI is a corporation formed in California. According to
11 Respondents, Respondent C. WONG is the sole shareholder and officer for SRGI.

12 15. The audit examination covered the period from July 1, 2022, through July 31,
13 2023 ("audit period").

14 16. Based on the records reviewed by the auditor, during the audit period, SRGI
15 managed approximately 67 properties, with a total of 130 units, for 58 property owners. The
16 properties consist of 62 one-to-four family residences with 65 units, and five (5) apartment
17 complexes with 65 units. SRGI collected and handled trust funds totaling approximately
18 \$5,552,207.08 during the audit period. Respondents collected rents, paid expenses, and screened
19 tenants for compensation.

20 17. SRGI charged property management fees or compensation for their services.

21 18. During the audit period, SRGI maintained at least four bank accounts for handling
22 trust funds for multiple beneficiaries relating to SRGI's property management activities. The
23 Department's auditor examined the two bank accounts listed below for the audit period:

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1 Issue 1. Trust fund handling for multiple beneficiaries (Code section 10145 and Regulation
2 2832.1)

3 21. Bank reconciliations for (BA-1 #5996) and (BA-2 #5876) were prepared with a
4 cut-off date of July 31, 2023. The adjusted minimum bank balances for each account were
5 compared to the total minimum balance of separate records identified as the "Trust Account
6 Detail 1150 Operating Cash" and the "Trust Account Balance" (accountability). Respondents
7 inaccurately recorded some deposits and disbursements for (BA-1 #5996) on SRGI's separate
8 records.

9 22. During the audit period and in connection with the collection and disbursements
10 of trust funds, SRGI failed to maintain separate records of the receipt and disbursements of all
11 trust funds deposited into (BA-2 #5876) as required by Code section 10145, subdivision (g) and
12 Regulation 2831. (BA-2 #5876) held unidentified/unaccounted funds of at least \$2,449.60 as of
13 July 31, 2023.

14 23. During the audit period, SRGI failed to prepare a monthly accurate reconciliation
15 of the balance of all separate records or transaction records with the record of all trust funds
16 received and disbursed for (BA-1 #5996) and (BA-2 #5876), as required by Regulation 2831.2.

17 24. As of July 31, 2023, (BA-1 #5996) had a minimum shortage of <\$76,938.59>.
18 The minimum shortage was caused in part by minimum negative property balances of
19 <\$67,553.96>. The cause of the remaining amount of the shortage <\$9,384.63> in (BA-1 #5996)
20 as of July 31, 2023, could not be identified.

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25. The negative property balance of <\$67,553.96> was caused by disbursements related to four (4) properties belonging to property owner, "H.L.² Living Trust dated 11-25-2015." The disbursements were made when there were nonsufficient funds to do so. The four properties are listed below:

<u>Property Address</u>	<u>Amount</u>
2043 Midvale Ave.	(\$47,653.30)
216 Marguerita Ave.	(\$22,037.90)
10777 Wellworth Ave.	(\$362.77)
938 18 th Street #1	\$2,500.00
TOTAL NEGATIVE PROPERTY BALANCE =	(\$67,553.96)

26. As of July 31, 2023, (BA-2 #5876) had a minimum shortage of <\$27.84>. The negative property balance of <\$27.84> was caused by disbursements related to three (3) properties. The disbursements were made when there were nonsufficient funds to do so. The name(s) of the property owners were not provided to the Department's auditor during the audit examination. The three properties are listed below:

<u>Property Address</u>	<u>Amount</u>
10641 Missouri Ave., #402, Los Angeles	<\$12.76>
1506 Malcolm Ave., Los Angeles	<\$15.00>
11811 Kiowa Ave., #103, Los Angeles	<\$0.08>
TOTAL NEGATIVE PROPERTY BALANCE =	<\$27.84>

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² 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 Respondent(s) and/or their attorneys, after service of a timely and proper request for discovery on Complainant's counsel.

27. Respondents provided no evidence that the owners of the trust funds had given their written consent to allow Respondents to reduce the balance of funds in (BA-1 #5996) and (BA-2 #5876) to an amount less than the existing aggregate trust fund liabilities, in violation of Code section 10145 and 2832.1.

Issue 2. Trust fund records to be maintained (Code section 10145 and Regulation 2831)

28. SRGI failed to maintain accurate and complete records of all trust funds received and disbursed (control record) for (BA-1 #5996) during the audit period, in violation of Code section 10145 and Regulation 2831. SRGI's control record for (BA-1 #5996) did not reflect the accurate daily balance during the audit period. SRGI's control record for (BA-1 #5996) showed a balance of \$220,545.37 as of July 31, 2023.

29. Respondents did not make the control records for (BA-2 #5876) available for the audit examination.

Issue 3. Separate record for each beneficiary or transaction (Code section 10145 and Regulation 2831.1)

30. During the audit period and in connection with the collection and disbursement of trust funds, SRGI failed to maintain accurate and complete separate records of the receipt and disbursements of all trust funds deposited into (BA-1 #5996), as required by Code section 10145, subdivision (g), and Regulation 2831.1. The "Trust Account Detail – Separate Record" for 3/1/2023 to 7/31/2023 and the "Trust Account Detail" for 7/1/2022 to 7/31/2023 were examined. (BA-1 #5996) had an unidentified shortage of <\$9,384.65> as of July 31, 2023.

31. During the audit period in connection with the collection and disbursement of trust funds, SRGI failed to maintain an accurate and complete separate record of the receipt and disbursements of all trust funds deposited into (BA-2 #5876) as required by Code section 10145,

subdivision (g), and Regulation 2831.1. (BA-2 #5876) held unidentified/unaccounted funds of at least \$2,449.60 as of July 31, 2023.

Issue 4. Trust account reconciliation (Code section 10145 and Regulation 2831.2)

32. During the audit period, SRGI failed to perform and maintain an accurate monthly reconciliation comparing the balance of all separate beneficiary or transaction records (separate records) to the balance of the record of all trust funds received and disbursed (control record) for (BA-1 #5996) and (BA-2 #5876), in violation of Code section 10145 and Regulation 2831.2.

33. The Respondents offset negative balances (or negative accounts) of some properties with the positive balances of different properties belonging to different property owners from the property owners with properties that had negative balances. Therefore, SRGI's accountability to the property owners was reduced to an amount less than the existing aggregate trust funds liabilities.

34. (BA-2 #5876)'s bank reconciliation was out of balance by <\$126,004.11> as of July 31, 2023.

Issue 5. Trust Fund Handling (Code section 10145 and Regulation 2832)

35. During the audit period, SRGI used (BA-1 #5996) and (BA-2 #5876) for handling trust fund receipts and disbursements belonging to others in connection with property management activities. (BA-1 #5996) and (BA-2 #5876) were not designated as trust accounts in the name of SUNSHINE REALTY GROUP, INC. as trustee, in violation of Code section 10145 and Regulation 2832.

Issue 6. Trust account withdrawals (Code section 10145 and Regulation 2834).

36. During the audit period, SRGI used (BA-1 #5996) for handling trust fund receipts and disbursements belonging to others in connection with property management activities. Based on an examination of the bank signature card for (BA-1 #5996), SRGI D.O. Respondent

1 D. WONG was not an authorized signatory to sign and make withdrawals from (BA-1 #5996)
2 during the audit period, in violation of Code section 10145 and Regulation 2834.

3 Issue 7. Disclosure of licensed status in advertising/Disclosure of License Identification Number
4 on solicitation materials – First point of contact with consumers (Code section 10140.6(b) and
5 Regulation 2773).

6 37. Based on an examination of SRGI's website, www.sunshinerealtyoffice.com, the
7 website used the unlicensed fictitious business name, "Sunshine Realty," to advertise without
8 disclosing SRGI's corporation license ID number on the website and on solicitation materials
9 intended to be the first point of contact with consumers, in violation of Code section 10140.6,
10 subdivision (b), and Regulation 2773.

11 Issue 8. Use of unlicensed false or fictitious name (Code section 10159.5 and Regulation 2731)

12 38. During the audit period, SRGI used the unlicensed fictitious business name,
13 "Sunshine Realty," on property management agreements and on SRGI's website used to conduct
14 property management activities, in violation of Code section 10159.5 and Regulation 2731.

15 Issue 9. Responsibility of corporate officer in charge/Broker supervision (Code section 10159.2
16 and Regulation 2725).

17 39. Based on the audit violations noted above, Respondent D. WONG, as the licensed
18 Designated Officer for SRGI, failed to adequately supervise and control the activities conducted
19 on behalf of SRGI. Respondent failed to monitor the established policies, rules, procedures, and
20 system in place to review, oversee, inspect, monitor, and manage transactions that required a real
21 license and involved the handling of trust funds belonging to others.

22 40. Respondents provided a copy of SRGI's policies and procedures manual
23 ("manual") to the auditor. Based on a review of the SRGI's manual, the manual did not indicate
24 that any written policies and procedures were in place for overseeing and monitoring the

1 handling of trust funds. The manual did not specify the maintenance of separate records for each
2 beneficiary and monthly trust account reconciliations. SRGI did not appear to have a reasonable
3 system of supervision in place and a system of monitoring compliance with the Real Estate Laws
4 and Regulations concerning the handling of trust funds.

5 41. The conduct of Respondent SRGI as described above in Paragraphs 21 through
6 38, violated the Code and the Regulations as set forth below:

<u>Issue</u>	<u>Violations</u>
1	Code section 10145 and Regulation 2832.1
2	Code section 10145 and Regulation 2831
3	Code section 10145 and Regulation 2831.1
4	Code section 10145 and Regulation 2831.2
5	Code section 10145 and Regulation 2832
6	Code section 10145 and Regulation 2834
7	Code section 10140.6(b) and Regulation 2773
8	Code section 10159.5 and Regulation 2731

16 42. The foregoing violations, as described above in Paragraphs 21 through 38,
17 constitute cause for the suspension or revocation of the real estate licenses and license rights of
18 Respondent SRGI under the provisions of Code section 10177, subdivisions (d) and/or (g).

19 Respondents D. WONG and C. WONG– Officer - Broker Supervision

20 43. On March 5, 2025, a Special Investigator for the Department conducted a
21 telephone interview with Respondent D. WONG regarding broker supervision of SRGI during
22 the audit period. During the interview, Respondent D. WONG stated that he stepped down from
23 a management position for SRGI prior to the outbreak of COVID-19 in 2020. Respondent D.
24 WONG further stated that his mother [Respondent C. WONG] runs SRGI. Respondent D.

1 WONG claimed that the Department previously told him that he did not submit the proper forms
2 to remove himself as the Designated Officer for SRGI. Respondent D. WONG stated that he was
3 not in the capacity of manager for SRGI during the audit period.

4 44. On June 6, 2022, the Department received an Officer Renewal Application
5 submitted by Respondent D. WONG for SRGI.

6 45. On June 6, 2022, the Department received another, separate Officer Renewal
7 Application submitted by Respondent C. WONG for SRGI.

8 46. During the audit period from July 1, 2022, through July 31, 2023, Respondent C.
9 WONG was licensed as an additional licensed broker-officer for Respondent SRGI.

10 47. During the audit period from July 1, 2022, through July 31, 2023, Respondent
11 SRGI was licensed as a corporate real estate broker by and through Respondent D. WONG as the
12 designated broker-officer for Respondent SRGI to qualify said corporation and to act for said
13 corporation as a real estate broker.

14 48. During the audit period, Respondent D. WONG was the designated officer for
15 Respondent SRGI, pursuant to Code section 10211. As the licensed designated officer for
16 SRGI during the audit period, Respondent D. WONG was responsible for the supervision and
17 control of the activities conducted on behalf of SRGI by its officers, agents, real estate
18 licensees, and employees, as necessary to secure full compliance with the provisions of the Real
19 Estate Law, pursuant to Code section 10159.2.

20 49. On or about June 21, 2024, Respondents cancelled the appointment of
21 Respondent D. WONG as the designated officer for SRGI and appointed Respondent C. WONG
22 as the new designated officer for SRGI.

23 50. From on or about June 21, 2024, through the present, Respondent SRGI has been
24 licensed as a corporate real estate broker by and through Respondent C. WONG as designated

1 broker-officer for Respondent SRGI to qualify said corporation and to act for said corporation as
2 a real estate broker.

3 51. Based on the audit violations cited above, Respondents D. WONG and C. WONG
4 failed to exercise adequate supervision and control over SRGI's property management activities
5 to ensure compliance with the Real Estate Law and Regulations, in violation of Code section
6 10159.2 and Regulation 2725. Said conduct, acts, or omissions constitute cause to suspend or
7 revoke the real estate licenses and license rights of Respondent HOANG pursuant to Code
8 section 10177, subdivisions (h), (d), and/or (g).

9 Audit Costs

10 52. Code section 10148(b) provides, in pertinent part, that the Commissioner shall
11 charge a real estate broker for the cost of any audit, if the Commissioner has found in a final
12 decision following a disciplinary hearing that the broker has violated Code section 10145 or a
13 regulation or rule of the Commissioner interpreting said section.

14 Investigation/Enforcement Costs

15 53. Code section 10106 provides, in pertinent part, that in any order issued in
16 resolution of a disciplinary proceeding before the Department of Real Estate, the Commissioner
17 may request the administrative law judge to direct a licensee found to have committed a violation
18 of this part to pay a sum not to exceed the reasonable costs of the investigation and enforcement
19 of the case.

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1 WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this
2 Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action
3 against all licenses and/or license rights of Respondents under the Real Estate Law (Part 1 of
4 Division 4 of the Business and Professions Code), for the costs of the audit, investigation, and
5 enforcement as permitted by law, and for such other and further relief as may be proper under
6 other provisions of law.

7 Dated 05/21/2025 at Los Angeles, California.

8 
9 RAY DAGNINO
10 Supervising Special Investigator

11
12 cc: Sunshine Realty Group, Inc.
13 Dennis E. Wong
14 Christina Yao Wong
15 Ray Dagnino
16 Audits/Guadalupe Barragan
17 Sacto