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FILED

OCT 10 2017

BUREAU OF REAL ESTATE

By *[Signature]*

BEFORE THE BUREAU OF REAL ESTATE

STATE OF CALIFORNIA

In the Matter of the Accusation of

No. H-40779 LA

IDEAL PROPERTY AND REALTY INC and
SAMUEL SHIH-HSIEN WU,
individually and as designated officer
of Ideal Property and Realty Inc,

**FIRST AMENDED
ACCUSATION**

Respondents.

The Accusation filed on September 7, 2017 is amended in its entirety as follows:

The Complainant, Maria Suarez, a Supervising Special Investigator of the State of California, for cause of Accusation against IDEAL PROPERTY AND REALTY INC and SAMUEL SHIH-HSIEN WU, individually and as former designated officer of IDEAL PROPERTY AND REALTY INC alleges as follows:

1.

The Complainant, Maria Suarez, a Supervising Special Investigator of the State of California, makes this Accusation in her official capacity.

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2.

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.

BRE LICENSE HISTORY

3.

SAMUEL SHIH-HSIEN WU

A. Respondent SAMUEL SHIH-HSIEN WU ("WU") is presently licensed and/or has license rights under the Real Estate Law (Part 1 of Division 4 of the Code) as a real estate broker ("REB"), Bureau of Real Estate ("BRE" or "Bureau") license ID 00943726.

B. WU was originally licensed by the Bureau as a real estate salesperson ("RES") on or about November 7, 1986, and as a REB on or about March 24, 1989.

C. WU's BRE mailing and main address of record are the same: 625 E. Main Street, Alhambra, California 91801-4049 ("Main Street address").

D. According to BRE records to date, WU maintains no current DBAs under his BRE license and WU is the designated officer ("D.O.") for IDEAL PROPERTY AND REALTY INC until his officer license affiliation expires on August 23, 2017.

E. According to BRE records to date, WU maintains one (1) branch office at 140 N. Bradford Avenue, Placentia, California 92870 ("Bradford Avenue address").

F. On or about October 10, 1996, in CalBRE Case No. H-26227 LA, WU's REB and New Ideal Development, Inc¹'s and real estate corporation ("REC") licenses were revoked, and both were granted the right to apply for and be issued one-year restricted licenses. On or

¹ According to the BRE records, Ideal Development Inc f.k.a. New Ideal Development Inc., was licensed as a real estate broker (corporation) ("REC") on or about September 27, 1990, and maintained three (3) DBAs affiliated under its REC license: Ideal Group (active from January 29, 198 to September 3, 2014); Ideal Management (active from January 29, 1998 to September 3, 2014); and Ideal Realty (active from January 18, 1991 to September 3, 2014). WU was Ideal Development Inc's designated officer of record until his officer affiliation expired on September 2, 2014. Ideal Development Inc's license expired on or about September 2, 2014.

1 about July 29, 1998, the petition for reinstatement of WU's REB and New Ideal Development,
2 Inc's REC licenses was granted.

3 G. According to BRE records to date, WU maintains one (1) branch office at 140
4 N. Bradford Avenue, Placentia, California 92870 ("Bradford Avenue address").

5 H. WU's BRE license will expire on December 13, 2017.

6 4.

7 IDEAL PROPERTY AND REALTY INC

8 A. Respondent IDEAL PROPERTY AND REALTY INC ("IPRI") is presently
9 licensed and/or has license rights under the Real Estate Law (Part 1 of Division 4 of the Code) as
10 a REC, BRE license ID 01869393.

11 B. IPRI was originally licensed by the Bureau on or about August 24, 2009.

12 C. IPRI's mailing and main office address of record are the same as Respondent
13 WU's Main Street address.

14 D. According to BRE records to date: IPRI's D.O. of record is WU and IPRI
15 maintains three (3) active DBAs under its BRE license: Ideal Management (active as of October
16 13, 2011); Ideal Property (active as of August 20, 2013); and Ideal Realty (active as of October
17 13, 2011).

18 E. According to BRE records to date, IPRI maintains one (1) branch office at the
19 same Bradford Avenue address as WU.

20 F. According to BRE records to date, IPRI has seventeen (17) RES affiliated with
21 its BRE license.

22 5.

23 Sean Cho (not licensed by the BRE)

24 Sean ("Cho") is not, and never has been, licensed by the Bureau in any capacity.

25 ///

1 BRE AUDIT OF IDEAL PROPERTY AND REALTY INC

2 LA150105

3 6.

4 On May 27, 2016, the Bureau completed an audit examination of the books and
5 records of Respondent IPRI pertaining to the broker escrow activities described in Paragraph 7,
6 below, which require a real estate license. The audit examination covered a period of time
7 beginning on January 1, 2015 and ending on January 29, 2016 (“audit examination period” or
8 “audit period”), and was performed between March 9, 2016 and May 20, 2016 (“field work
9 period”). The final report of May 27, 2016 revealed violations of the Code and the Regulations
10 as set forth in the following paragraphs, and more fully discussed in Audit Report LA 150105.

11 7.

12 IDEAL’s Business Activities & Corporate Structure

13 At all times mentioned in Alhambra, California, Respondent IPRI acted as a real
14 estate broker, and ordered, caused, authorized or participated in licensed activities within the
15 meaning of Code Section 10131(b), wherein IPRI engaged in property management activities,
16 and leased or rented or offered to lease or rent, or placed for rent, or solicited listings of places
17 for rent, or solicited for prospective tenants, or negotiated the sale, purchase or exchanges of
18 leases on real property, or on a business opportunity, or collected rent from real property, or
19 improvements thereon, or from business opportunities (“property management”).

20 A. According to WU and based on the BRE’s examination of records, D.O. WU is
21 the one hundred percent (100%) owner of IPRI.

22 B. With respect to IPRI’s property management activities, according to D.O. WU
23 and based on the BRE’s examination of records, IPRI managed one hundred (100) family
24 residences, one hundred (100) apartment complexes, and forty (40) commercial complexes for
25 approximately three hundred (300) owners, and, collected rents, paid expenses and screened
26

1 tenants, management fees for compensation of three percent (3%) to seven percent (7%) of the
2 monthly rents collected, or a flat monthly fee ranging from \$120 to \$1,000.

3 C. According to D.O. WU and based on the BRE's examination of records, IPRI
4 collected \$24,000,000 annually.

5 8.

6 The BRE's audit finding and methods of correction were discussed with D.O. WU
7 during the audit exit conference on May 20, 2016.

8 Bank Accounts

9 9.

10 According to WU, IPRI maintained two hundred forty nine (249) bank accounts,
11 comprised of one hundred and twelve (112) single beneficiary accounts; one hundred and thirty
12 five (135) home owner association ("HOA") accounts; and two (2) multiple beneficiary
13 accounts) at Preferred Bank for its property management activities during the audit examination
14 period. The BRE auditor sampled two (2) multiple beneficiary bank accounts:

15 Bank Account 1 ("B/A 1")

- 16 * Account Title (per Account Agreement): IDEAL PROPERTY AND REALTY
INC General Trust Acct – "A"
- 17 * Account Holder Name (per Signature Card): IDEAL PROPERTY AND
REALTY INC Trust For Others (See Attached)²
- 18 * Account Type (per Master Signature Card): Business Checking – 1000 General
Trust Acct
- 19 * Bank: Preferred Bank, Los Angeles, CA
- 20 * Account Number: ###5802
- 21 * Account Opening Date: April 23, 2010
- 22 * Signatories: WU, Cindy Pauleen Ye³ (Ye)

23
24 ² Attached to the Signature Card are seven (7) pages, dated 7/14/15 and/or 11/17/14 with Account Numbers and
property address references.

25 ³ According to the BRE's records, Pauleen Ye is licensed as a RES, BRE license ID 01174147.

1 IPRI maintained B/A 1 for multiple beneficiaries for handling the receipts and
2 disbursements of trust funds received in connection with its property management activities.

3
4 Bank Account 1 ("B/A 2")

5 * Account Title (per Account Agreement): IDEAL PROPERTY AND REALTY
6 INC General Trust Acct – "B"

7 * Account Holder Name (per Signature Card): IDEAL PROPERTY AND
8 REALTY INC Trust For Others (See Attached)⁴

9 * Account Type (per Master Signature Card): Business Checking – General Trust
10 Acct - B

11 * Bank: Preferred Bank, Los Angeles, CA

12 * Account Number: ###5093

13 * Account Opening Date: November 18, 2013

14 * Signatories: WU, Ye

15 IPRI maintained B/A 2 for multiple beneficiaries for handling the receipts and
16 disbursements of trust funds received in connection with its property management activities.

17 Audit Findings: Violations of the Real Estate Law

18 10.

19 In the course of activities as described in Paragraph 7, above, and during the audit
20 examination period described in Paragraph 6, Respondent IPRI acted in violation of the Code and
21 the Regulations, as described below:

22 **A. Trust Fund Handling – Account Designation (Code Section 10145 and**
23 **Regulations 2832)**

24 According to the BRE Auditor's examination of the books and records provided,
25 B/A 1 and B/A 2 are not properly designated as trust accounts, in violation of Code Section
26 **10145 and Regulations 2832.**

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28 ⁴ Attached to the Signature Card are seven (7) pages, dated 7/14/15 and/or 11/17/14 with Account Numbers and
29 property address references.

1 **B. Use of False or Fictitious Business Names (Code Section 10159.5 and**
2 **Regulation 2731)**

3 IPRI used unlicensed fictitious business names “Ideal Properties Realty
4 Management Development,” and “Ideal Properties” in its property management activities, on
5 property management agreements and on business cards without first obtaining a license from the
6 Bureau bearing such fictitious name, in violation of **Code Section 10159.5 and Regulation**
7 **2731.**

8 **C. Responsibility of Corporate Officer in Charge/Broker Supervision – D.O.**
9 **WU (Code Sections 10159.2 and 10177(h) and Regulation 2725)**

10 The acts and/or omissions of D.O. WU as described in Paragraphs 10A. and 10B.
11 above, demonstrate a failure to adequately supervise the real estate activities of IPRI, its
12 salespersons, and its employees to ensure compliance with the Real Estate laws and regulations.
13 Under D.O. WU’s supervision, IPRI failed to maintain properly designated trust accounts and
14 used unlicensed fictitious business names. The violations cited in Audit LA150105 are
15 indicative of Respondent WU’s failure to establish policies, rules, procedures and systems to
16 review, oversee, inspect and manage: transactions requiring a real estate license, the handling of
17 trust funds in IPRI’s activities, and the use of properly licensed fictitious business names. These
18 acts and/or failures to act constitute grounds for the suspension or revocation of the license and
19 license rights of Respondent WU under the provisions of **Code Sections 10159.2 and 10177(h)**
20 **and Regulation 2725.**

21 **ADDITIONAL VIOLATIONS OF THE REAL ESTATE LAW**

22 **Unlawful Employment or Payment of Compensation**

23 11.

24 On or about February 29, 2016, the BRE received a Licensing/Subdivider
25 Complaint (RE 519 (Rev. 615)) from property owner H.F. Yu regarding a property management
26

1 agreement between himself and IPRI (“H.F. Yu Complaint”). The H.F. Yu Complaint referenced
2 the property management activities of both WU and Cho on behalf of Yu, including Cho’s
3 collection of rent, filing of evictions, and presentation of himself as an agent of IPRI. The
4 signature block to Cho’s e-mail (sean@idealproperty.com) identifies Cho as “Property
5 Supervisor, Ideal Management” (Ideal Management is one IPRI’s active DBAs), as does his
6 signature block affixed to letters prepared on IPRI letterhead. Cho was the primary IPRI contact
7 for the management of H.F. Yu’s property.

8 12.

9 On or about May 5, 2016, BRE Special Investigator Fawn Piangenti served a
10 letter on WU regarding Cho conducting activities defined within Code Section 10131 that require
11 a real estate license. On or about May 12, 2016, WU responded to the BRE and affirmed that
12 Cho has worked for IPRI since November 2009, that Cho is not licensed as a real estate agent or
13 broker, and that he works as a “Property Supervisor” in IPRI’s property management division,
14 specializing in Homeowner Association. According to WU’s May 12, 2016 letter, Cho assisted
15 with tasks such as: resolving homeowner issues relating to common areas, and “sometimes, he
16 would help to our office to collect rents or does messenger work.”

17 13.

18 Cho offered licensed activities which require a real estate broker license under
19 Code Section 10131(b), during a period of time when Cho was not licensed by the BRE in any
20 capacity, in violation of **Code Sections 10130, 10131, 10139, and 10176(a)**. Additionally, Cho
21 worked for and received compensation from IPRI for the performance of said licensed activities;
22 IPRI’s issuance of compensation to Cho is in violation of **Code Section 10137**.

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1 Negligence and Willful Disregard of the Real Estate Law

2 14.

3 The overall conduct of Respondents IPRI and WU is violative of the Real Estate
4 Law and constitutes cause for the suspension or revocation of the real estate licenses and license
5 rights of IPRI and WU under the provisions of **Code Section 10177(g)** for negligence and **Code**
6 **Section 10177(d)** for willful disregard of the Real Estate Law.

7 COSTS

8 Investigation and Enforcement Costs

9 15.

10 **Code Section 10106** provides, in pertinent part, that in any order issued in
11 resolution of a disciplinary proceeding before the Bureau of Real Estate, the Commissioner may
12 request the administrative law judge to direct a licensee found to have committed a violation of
13 this part to pay a sum not to exceed the reasonable costs of the investigation and enforcement of
14 the case.

15 Audit Costs

16 16.

17 **Code Section 10148(b)** provides, in pertinent part, the Commissioner shall charge
18 a real estate broker for the cost of any audit, if the Commissioner has found in a final decision
19 following a disciplinary hearing that the broker has violated Code section 10145 or a regulation
20 or rule of the Commissioner interpreting said section.

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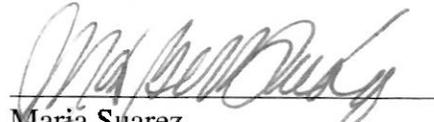
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1 WHEREFORE, Complainant prays that a hearing be conducted on the allegations
2 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary
3 action against the licenses and license rights of Respondents IDEAL PROPERTY AND
4 REALTY INC and SAMUEL SHIH-HSIEN WU under the Real Estate Law (Part 1 of vision 4
5 of the Business and Professions Code), for the cost of investigation and enforcement as permitted
6 by law, and for such other and further relief as may be proper under other provisions of law, and
7 for costs of audit.

8 Dated at Los Angeles, California

9 this 6th day of October, 2017.

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11 _____
12 Maria Suarez
13 Supervising Special Investigator
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22 cc: IDEAL PROPERTY AND REALTY INC
23 SAMUEL SHIH-HSIEN WU
24 Sacto.
25 Enforcement – M. Suarez
26 Audits – C. Tse
27