BEFORE THE MARYLAND REAL ESTATE COMMISSION

MARYLAND REAL ESTATE COMMISSION

CASE NO. 412-RE-2023

V.

HEERAN LEE
NEW STAR 1ST REALTY
3444 Ellicott Center Drive, #105
Ellicott City, Maryland 21043

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CONSENT ORDER AND SETTLEMENT AGREEMENT

This matter comes before the Maryland Real Estate Commission ("Commission") as the result of a complaint filed by Terry Lascola ("Complainant") against Heeran Lee, the real estate broker of record for New Star 1st Realty, License No. 01-647389 ("Respondent") and an investigation by the Commission. To resolve this matter without a formal hearing, the Commission and the Respondent have agreed to enter into this Consent Order and Settlement Agreement ("Consent Order") to provide for the imposition of disciplinary measures that are fair, equitable, and consistent with the best interest of the citizens of the State of Maryland.

The Commission and the Respondent agree and stipulate as follows:

- 1. At all times relevant to the matters set forth in this Consent Order, the Commission has had jurisdiction over the subject matter and the Respondent.
- 2. The Commission has licensed the Respondent as the real estate broker of record for New Star 1st Realty, license registration number 01-647389, since June 13, 2013; Respondent's current license will expire June 13, 2025.
- 3. Bo Kang So and Soon Bok So ("Sellers") sought to sell their property, 2225 Hollowoak Drive, Hanover, Maryland 21076, located in Anne Arundel County Maryland (the "property"). After seeing an advertisement for the Respondent's brokerage, the Sellers contacted New Star 1st Realty.
- 4. The Respondent employs Edward Oh ("Mr. Oh") as a general manager at New Star 1st Realty. Mr. Oh's responsibilities include handling all administrative tasks, training new agents, and assisting other realtors affiliated with the brokerage with marketing, managing paperwork, and staging listings. The Commission does not currently, and never has, licensed Mr. Oh in any capacity.

- 5. Under the Maryland Real Estate Broker's Act ("Act"), a real estate broker may not retain an unlicensed individual to provide real estate brokerage services on behalf of the real estate broker. See Md. Code Ann., Bus. Occ. & Prof. ("BOP"), §17-603(b).
- 6. According to the Sellers, over the course of the transaction at issue, the Sellers had no direct dealings with the Respondent or any other licensed real estate broker, licensed associate real estate broker, or licensed real estate salesperson affiliated with the Respondent's brokerage; instead, they dealt only with Mr. Oh throughout the transaction.
- 7. In or about September 2022, Mr. Oh presented to the Sellers a GCARR form for use only in Montgomery County and Washinton DC titled "Listing Agreement for Improved Real Property and Cooperatives," which provided that the Seller's property would be offered for sale at a listing price "TBD," that the listing period would commence on the date the Listing Agreement was signed and would expire at 11:59 p.m. on March 31, 2023, and that the Sellers authorized the property to be entered into Active status in Bright MLS "after renovation" or "within one (1) business day of Public Marketing of Property, whichever comes first." The signature lines on the Listing Agreement identified the "Broker/Supervisor Manager" and "Listing Agent" respectively as "Ronnie O. Lee."
- 8. Section 17-534(b) of the Act requires a listing agreement to include, *inter alia*, "a provision for the cancellation of the brokerage relationship by either the client or the broker[.]" BOP §17-534(b)(5). The Listing Agreement presented to the Sellers did not include a provision for the cancellation of the brokerage relationship by the client.
- 9. The Act defines the term "designated name" to mean "the individual name of a licensed real estate salesperson, licensed real estate broker, or licensed associate real estate broker's, or licensed associate real estate broker's, or licensed associate real estate broker's full legal name," and to include "a first name, nickname, or last name." BOP §17-527.2 (emphasis added). Pursuant to BOP §17-527.3, a licensed real estate salesperson, licensed real estate broker, or licensed associate real estate broker may apply to the Commission to add a designated name on a license certificate and pocket card and, once approved by the Commission, the licensee may provide real estate brokerage services using the approved designated name.
- 10. Seller Bo Kang So docu-signed the Listing Agreement on or about September 29, 2022. Seller Soon Bok So docu-signed the Listing Agreement on or about September 30, 2022. There are illegible signatures dated September 29, 2022 above the signature lines on the Listing Agreement identifying the "Broker/Supervisor Manager" and "Listing Agent" respectively as "Ronnie O. Lee."
- 11. The Respondent's legal name is Heeran Lee. Although the Respondent had not applied for or obtained approval to use a designated name to provide real estate brokerage services at that time, the Listing Agreement identified the Respondent by the designated name "Ronnie O. Lee" rather than the Respondent's legal name "Heeran Lee."

¹ On or about September 26, 2023, the Commission approved the Respondent's application to provide real estate brokerage services using the designated name "Ronnie O. Lee."

- 12. The Respondent also used the name "Ronnie O. Lee" rather than "Heeran Lee" in advertising materials and on a Comparative Market Analysis provided to the Sellers prior to September 26, 2023.
- 13. After signing the Listing Agreement, the Sellers grew concerned that Mr. Oh, who represented to the Sellers that he could provide real estate brokerage services on behalf of the Respondent, also insisted that the property required significant renovations totaling approximately \$100,000 to be performed by Mr. Oh's contractors before New Star 1st Realty would list the property for sale on Bright MLS.
- 14. On or about October 17, 2022, the Sellers sent an email to 1strealtyinfor@gmail.com that stated, "To whom it may concern, This email is meant to terminate any/all agreements pertaining to the representation and listing of 2225 Hollowoak Drive, Hanover, MD 21076, effective 24 hours as of Monday, October 17th 5:30 p.m."
- 15. Although the Listing Agreement did not comply with BOP §17-534(b)(5), did not include a list price, and did not include the date on which the property would be listed on Bright MLS, on or about October 18, 2022 the Sellers received a letter from attorney John Shin, Esq. on behalf of New Star 1st Realty stating:

It has come to my attention that you have given notice unlawfully, to my client Newstar 1st Realty that you are terminating their listing agreement with you. Please understand that the aforementioned listed agreement runs through and is valid until March 31, 2023. Therefore, the seller cannot unilaterally terminate the contract. Please be advised that you will be responsible for the 2% commission you have to pay Newstar 1st Realty LLC from the initially promised 4.5% commission if you break the agreement plus Newstar1st Realty's attorney's fee (per Section 7.E. of the agreement) for costs to recover its fee including the writing of this letter.

I have copied by client to this email, should they wish to waive the attorney fee. Thank you.

- 16. On or about December 5, 2022, New Star 1st Realty, LLC sued the Sellers and the Complainant for Breach of Contract and Tortious Interference of Contract in the Circuit Court for Anne Arundel County, Maryland, which the Court dismissed by Order dated June 14, 2023.
- 17. Ultimately, the Sellers listed and sold the property through the Complainant's brokerage.
- 18. Based upon the facts described above, the Respondent admits that she has violated BOP §§ 17-322(b)(32) and (33), §17-527.2(b)(1), §17-534(b)(5), §17-603(b) as well as Code of Maryland Regulations ("COMAR") 09.11.01.16C(1), 09.11.02.01C, 09.11.02.01G(2), which provide:

§17-322. Denials, reprimands, suspensions, revocations, and penalties- Grounds.

- (b) Grounds.—Subject to the hearing provisions of §17-324 of this subtitle, the Commission may deny a license to any applicant, reprimand any licensee, or suspend or revoke a license if the applicant or licensee:
 - (32) violates any other provision of this title;
 - (33) violates any regulation adopted under this title or any provision of the code of ethics[.]
- (c) (1) Instead of, or in addition to reprimanding a licensee or suspending or revoking a license under this section, the Commission may impose a penalty not exceeding \$5000 for each violation.
 - (2) To determine the amount of the penalty imposed, the Commission shall consider:
 - (i) the seriousness of the violation;
 - (ii) the harm caused by the violation;
 - (iii) the good faith of the licensee; and
 - (iv) any history of previous violations by the licensee.

§17-527.2 Use of Trade names by real estate brokers and salespersons – Advertisements.

- (b) Advertisements. A licensed real estate salesperson, licensed real estate broker, or licensed associate real estate broker may not advertise unless:
 - (1) The name or designated name of the licensed real estate salesperson, licensed real estate broker, or licensed associate real estate broker, as the name or designated name appears on the license certificate and pocket card issued by the Commission is meaningfully and conspicuously included in the advertisement[.]

§17-534. Brokerage Relationship.

- (b) The brokerage agreement shall:
 - (5) contain a provision for the cancellation of the brokerage relationship by either the client or the broker[.]

§17-603. Real Estate brokerage services by unauthorized individuals; lending license of real estate broker.

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(b) Retaining unlicensed individual. – A real estate broker may not retain an unlicensed individual to provide real estate brokerage services on behalf of the real estate broker.

CODE OF MARYLAND REGULATIONS
Title 09. Maryland Department of Labor
Subtitle 11. Real Estate Commission
Chapter 01. General Regulations
.16. Use of Trade Names

C. Licensee Using Trade Name.

(1) In the advertising of or contracting for any real estate brokerage services defined under Business Occupations and Professions Article, § 17-101, Annotated Code of Maryland, a licensee using a trade name shall clearly and unmistakably include in the advertisement or contract the licensee's name or trade name, as registered with the Commission, to ensure that the licensee's identity is meaningfully and conspicuously displayed to members of the general public.

CODE OF MARYLAND REGULATIONS
Title 09. Maryland Department of Labor
Subtitle 11. Real Estate Commission
Chapter 02. Code of Ethics
.01 Relations to the Public.

C. The licensee shall protect the public against fraud, misrepresentation, or unethical practices in the real estate field. The licensee shall endeavor to eliminate in the community any practices which could be damaging to the public or to the dignity and integrity of the real estate profession. The licensee shall assist the commission charged with regulating the practices of brokers, associate brokers, and salespersons in this State.

G. Advertisement.

- (2) The licensee in advertising shall be especially careful to present a true picture. A broker may not advertise without disclosing the broker's name or the company name as it appears on the license. A broker may not permit associate brokers or salespersons to use individual names unless the connection with the broker is obvious in the advertisement.
- 19. The Respondent consents to the entry of an Order finding that by the acts and omissions described herein, she has violated BOP §§ 17-322(b)(32) and (33), §17-527.2(b)(1), §17-534(b)(5), §17-603(b) as well as Code of Maryland Regulations ("COMAR") 09.11.01.16C(1), 09.11.02.01C, 09.11.02.01G(2).

- 20. Based upon the seriousness of the violations, the harm caused by the violations, and the Respondent's lack of good faith, the Respondent further consents to the entry of an Order imposing a civil monetary penalty of four thousand five hundred dollars (\$4500.00) to be paid within thirty (30) days of the date the Commission enters this Consent Order. The Respondent further agrees to the entry of an Order that should the Respondent fail to pay the civil monetary penalty as required by this Consent Order, the Respondent's license shall be automatically suspended and shall continue to be suspended until the Respondent has paid the civil monetary penalty in full.
- 21. By entering this Consent Order, the Respondent waives the right to an administrative hearing on the charges before an administrative law judge assigned by the Office of Administrative Hearings, to the making of findings of fact and conclusions of law, to all other proceedings before the Commission or its designee on this matter, and to all rights to appeal from this Consent Order to any court of competent jurisdiction.
- 22. The Respondent hereby agrees and acknowledges that the Respondent enters this Consent Order knowingly, voluntarily, willingly, and intelligently and with the advice of counsel.
- 23. The Commission and the Respondent agree and acknowledge that this Consent Order shall serve as the final resolution of Case No. 412-RE-2023, shall serve as the Final Order in this matter, shall be a part of the Respondent's record, and that the Commission's records and publications shall reflect the Consent Order's terms.

BASED ON THESE STIPULATIONS AND AGREEMENTS, IT IS THIS AND DAY OF AGREEMENTS, IT IS THIS AND DAY OF AGREEMENTS, IT IS THIS AGREEMENTS.

ORDERED that the Respondent's has violated BOP §§ 17-322(b)(32) and (33), §17-527.2(b)(1), §17-534(b)(5), §17-603(b) as well as Code of Maryland Regulations ("COMAR") 09.11.01.16C(1), 09.11.02.01C, 09.11.02.01G(2); and it is further

ORDERED that Based upon the seriousness of the violations, the harm caused by the violations, and the Respondent's lack of good faith, the Respondent shall pay a civil monetary penalty of four thousand five hundred dollars (\$4500.00) to be paid within thirty (30) days of the date the Commission enters this Consent Order; and it is further

ORDERED that should the Respondent fail to pay the civil monetary penalty as required by this Consent Order, the Respondent's license shall be automatically suspended and shall continue to be suspended until the Respondent has paid the civil monetary penalty in full; and it is further

ORDERED that this Consent Order shall serve as the final resolution of Case No. 412-RE-2023, shall serve as the Final Order in this matter, shall be a part of the Respondent's record, and that the Commission's records and publications shall reflect the Consent Order's terms.

MARYLAND REAL ESTATE COMMISSION: SIGNATURE ON FILE

Bv:

RAQUEL MEYERS ACTING EXECUTIVE DIRECTOR

AGREED: SIGNATURE ON FILE

.2.120/2024

HERAX: RONNIE O." LEE

RESPONDENT

SIGNATURE ON FILL

SIGNATURE ON FILE