

FILED

SEP 06 2011

DEPARTMENT OF REAL ESTATE

By R Jones

1 Department of Real Estate
2 P.O. Box 187007
3 Sacramento, CA 95818-7007
4 Telephone: (916) 227-0781

7
8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)

No. H-11081 SF

12 THE KEYROSE CORPORATION, and)
13 BENJAMIN KIMSENG NG,)

STIPULATION AND
AGREEMENT

14 Respondents.)

15
16 It is hereby stipulated by and between THE KEYROSE CORPORATION, and
17 BENJAMIN KIMSENG NG, (hereinafter "Respondents") represented by Erik A. Gravink,
18 and the Complainant, acting by and through Truly Sughrue, Counsel for the Department of
19 Real Estate, as follows for the purpose of settling and disposing the Accusation filed on March
9, 2011 in this matter:

20 1. All issues which were to be contested and all evidence which was to be
21 presented by Complainant and Respondents at a formal hearing on the Accusation, which hearing
22 was to be held in accordance with the provisions of the Administrative Procedure Act
23 (hereinafter "APA"), shall instead and in place thereof be submitted solely on the basis of the
24 provisions of this Stipulation and Agreement.

25 2. Respondents have received, read, and understand the Statement to
26 Respondent, and the Discovery Provisions of the APA filed by the Department of Real Estate in
27 this proceeding.

1 3. Respondents filed a Notice of Defense pursuant to Section 11505 of the
2 Government Code for the purpose of requesting a hearing on the allegations in the Accusation.
3 Respondents hereby freely and voluntarily withdraw said Notice of Defense. Respondents
4 acknowledge that they understand that by withdrawing said Notice of Defense they will thereby
5 waive their rights to require the Commissioner to prove the allegations in the Accusation at a
6 contested hearing held in accordance with the provisions of the APA, and that they will waive
7 other rights afforded to them in connection with the hearing such as the right to present evidence
8 in defense of the allegations in the Accusation and the right to cross-examine witnesses.

9 4. Respondents pursuant to the limitations set forth below, hereby admit that
10 the factual allegations in the Accusation filed in this proceeding are true and correct and the Real
11 Estate Commissioner shall not be required to provide further evidence to prove such allegations.

12 5. Respondents understand that by agreeing to this Stipulation and
13 Agreement, Respondents agrees to pay, pursuant to Section 10148 of the California Business
14 and Professions Code (hereinafter "the Code"), the cost of the audit, which resulted in the
15 determination that Respondents committed the trust fund violation(s) found in Paragraph II of
16 the Determination of Issues. The amount of said costs is \$5,013.

17 6. Respondents further understand that by agreeing to this Stipulation and
18 Agreement, the findings set forth below in the Determination of Issues become final, and that
19 the Commissioner may charge said Respondent for the costs of any audit conducted pursuant to
20 Section 10148 of the Code to determine if the violations have been corrected. The maximum
21 costs of said audit shall not exceed \$5,013.

22 7. It is understood by the parties that the Real Estate Commissioner may
23 adopt the Stipulation and Agreement as his decision in these matters thereby imposing the
24 penalty and sanctions on the real estate licenses and license rights of Respondents as set forth in
25 the below "Order". In the event that the Commissioner in his discretion does not adopt the
26 Stipulation and Agreement, it shall be void and of no effect, and Respondents shall retain the
27 right to a hearing and proceeding on the Accusations under all the provisions of the APA and
shall not be bound by any admission or waiver made herein.

 8. The Order or any subsequent Order of the Real Estate Commissioner made
pursuant to this Stipulation and Agreement shall not constitute an estoppel, merger or bar to any

1 further administrative or civil proceedings by the Department of Real Estate with respect to any
2 matters which were not specifically alleged to be causes for accusation in these proceedings.

3 * * *

4 DETERMINATION OF ISSUES

5 By reason of the foregoing stipulations and waivers and solely for the purpose of
6 settlement of the pending Accusation without a hearing, it is stipulated and agreed that the
7 following determination of issues shall be made:

8 I

9 The acts and omissions of THE KEYROSE CORPORATION (hereinafter
10 "TKC") as described in the First Cause of Action are grounds for the suspension or revocation
11 of TKC's licenses and license rights under Section 10177(d) of the Code in conjunction with
12 Sections 10085, 10085.5, and 10146 of the Code and Sections 2970 and 2972 of Title 10 of the
13 California Code of Regulations (hereinafter "the Regulations").

14 II

15 The acts and omissions of TKC as described in the Second Cause of Action are
16 grounds for the suspension or revocation of TKC's licenses and license rights under the
17 following sections of the Code and Regulations:

18 (1) As to Paragraphs 14(a), under Section 10177(d) of the Code in
19 conjunction with Section 10145 of the Code and Section 2832 of the Regulations;

20 (2) As to Paragraph 14(b), under Section 10177(d) of the Code in
21 conjunction with Section 2831 of the Regulations;

22 (3) As to Paragraph 14(c), under Section 10177(d) of the Code in conjunction
23 with Section 2831.1 of the Regulations;

24 (4) As to Paragraph 14(d), under Section 10177(d) of the Code in
25 conjunction with Section 2831.2 of the Regulations;

26 (5) As to Paragraph 14(e), under Section 10177(d) of the Code in conjunction
27 with Section 2834 of the Regulations;

(6) As to Paragraphs 14(f), under Section 10176(e) of the Code;

(7) As to Paragraphs 15, under Section 10177(d) of the Code in conjunction
with Section 10160 of the Code and Section 2753 of the Regulations; and

1 (8) As to Paragraph 16, under Section 10177(d) of the Code in conjunction
2 with Section 2726 of the Regulations.

3 III

4 The acts and/or omissions of BENJAMIN KIMSENG NG (hereinafter "NG") as
5 described in the Third Cause of Action is cause for the suspension or revocation of NG's license
6 and/or license rights under Section 10177(h) of the Code.

7 * * *

8 ORDER

9 I

10 All licenses and licensing rights of Respondent TKC under the Real Estate Law
11 are suspended for a period of one hundred and sixty (160) days from the effective date of this
12 Order; provided, however, that:

13 1) Sixty (60) days of said suspension shall be stayed, upon the condition that TKC petition
14 pursuant to Section 10175.2 of the Business and Professions Code and pays a monetary penalty
15 pursuant to Section 10175.2 of the Business and Professions Code at a rate of \$75 for each day of
16 the suspension for a total monetary penalty of \$4,500.

17 a) Said payment shall be in the form of a cashier's check or certified check made payable to
18 the Recovery Account of the Real Estate Fund. Said check must be delivered to the
19 Department prior to the effective date of the Order in this matter.

20 b) No further cause for disciplinary action against the Real Estate licenses of TKC occurs
21 within two (2) years from the effective date of the decision in this matter.

22 c) If Respondent fails to pay the monetary penalty as provided above prior to the effective
23 date of this Order, the stay of the suspension shall be vacated as to that Respondent and
24 the order of suspension shall be immediately executed, under this Order, in which event
25 the said Respondent shall not be entitled to any repayment nor credit, prorated or
26 otherwise, for the money paid to the Department under the terms of this Order.

27 d) If said Respondent pays the monetary penalty and any other moneys due under this
Stipulation and Agreement and if no further cause for disciplinary action against the real
estate license of said Respondent occurs within two (2) years from the effective date of

1 this Order, the entire stay hereby granted this Order, as to said Respondent only, shall
2 become permanent.

3 2) One hundred (100) days of said suspension shall be stayed for two (2) years upon the
4 following terms and conditions:

5 a) Respondent shall obey all laws, rules and regulations governing the rights, duties and
6 responsibilities of a real estate licensee in the State of California; and,

7 b) That no final subsequent determination be made, after hearing or upon stipulation that
8 cause for disciplinary action occurred within two (2) years from the effective date of this
9 Order. Should such a determination be made, the Commissioner may, in his discretion,
10 vacate and set aside the stay order and reimpose all or a portion of the stayed suspension.
11 Should no such determination be made, the stay imposed herein shall become permanent.

12 3) Pursuant to Section 10148 of the Business and Professions Code, TKC shall jointly and
13 severally with NG pay the sum of \$5,013 for the Commissioner's cost of the audit which led to
14 this disciplinary action. Respondents shall pay such cost within sixty (60) days of receiving an
15 invoice from the Commissioner. The Commissioner may suspend the Respondent's license
16 pending a hearing held in accordance with Section 11500, et seq., of the Government Code, if
17 payment is not timely made as provided for herein, or as provided for in a subsequent agreement
18 between the Respondent and the Commissioner. The suspension shall remain in effect until
19 payment is made in full or until Respondent enters into an agreement satisfactory to the
20 Commissioner to provide for payment, or until a decision providing otherwise is adopted
21 following a hearing held pursuant to this condition.

22 4) Pursuant to Section 10148 of the Business and Professions Code, TKC shall jointly and
23 severally with NG pay the Commissioner's reasonable cost, not to exceed \$5,013, for an audit to
24 determine if Respondents have corrected the trust fund violation(s) found in the Determination of
25 Issues. In calculating the amount of the Commissioner's reasonable cost, the Commissioner may
26 use the estimated average hourly salary for all persons performing audits of real estate brokers,
27 and shall include an allocation for travel time to and from the auditor's place of work.
Respondent shall pay such cost within sixty (60) days of receiving an invoice from the
Commissioner detailing the activities performed during the audit and the amount of time spent
performing those activities. The Commissioner may suspend Respondent's license pending a

1 hearing held in accordance with Section 11500, et seq., of the Government Code, if payment is not
2 timely made as provided for herein, or as provided for in a subsequent agreement between
3 Respondent and the Commissioner. The suspension shall remain in effect until payment is made
4 in full or until Respondent enters into an agreement satisfactory to the Commissioner to provide
5 for payment, or until a decision providing otherwise is adopted following a hearing held pursuant
6 to this condition.

7 5) TKC agrees to refund any advance fees collected from homeowners for a loan modification if
8 the homeowner did not receive a loan modification.

9 II

10 All licenses and licensing rights of Respondent NG under the Real Estate Law are
11 suspended for a period of one hundred and sixty (160) days from the effective date of this Order;
12 provided, however, that:

13 1) Sixty (60) days of said suspension shall be stayed, upon the condition that TKC petition
14 pursuant to Section 10175.2 of the Business and Professions Code and pays a monetary penalty
15 pursuant to Section 10175.2 of the Business and Professions Code at a rate of \$75 for each day of
16 the suspension for a total monetary penalty of \$4,500.

17 a) Said payment shall be in the form of a cashier's check or certified check made payable to
18 the Recovery Account of the Real Estate Fund. Said check must be delivered to the
19 Department prior to the effective date of the Order in this matter.

20 b) No further cause for disciplinary action against the Real Estate licenses of TKC occurs
21 within two (2) years from the effective date of the decision in this matter.

22 c) If Respondent fails to pay the monetary penalty as provided above prior to the effective
23 date of this Order, the stay of the suspension shall be vacated as to that Respondent and
24 the order of suspension shall be immediately executed, under this Order, in which event
25 the said Respondent shall not be entitled to any repayment nor credit, prorated or
26 otherwise, for the money paid to the Department under the terms of this Order.

27 d) If said Respondent pays the monetary penalty and any other moneys due under this
Stipulation and Agreement and if no further cause for disciplinary action against the real
estate license of said Respondent occurs within two (2) years from the effective date of

1 this Order, the entire stay hereby granted this Order, as to said Respondent only, shall
2 become permanent.

3 2) One hundred (100) days of said suspension shall be stayed for two (2) years upon the
4 following terms and conditions:

5 a) Respondent shall obey all laws, rules and regulations governing the rights, duties and
6 responsibilities of a real estate licensee in the State of California; and,

7 b) That no final subsequent determination be made, after hearing or upon stipulation, that
8 cause for disciplinary action occurred within two (2) years from the effective date of this
9 Order. Should such a determination be made, the Commissioner may, in his discretion,
10 vacate and set aside the stay order and reimpose all or a portion of the stayed suspension.
11 Should no such determination be made, the stay imposed herein shall become permanent.

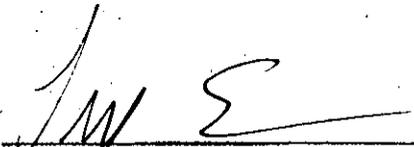
12 3) Pursuant to Section 10148 of the Business and Professions Code, NG shall jointly and
13 severally with TKC pay the sum of \$5,013 for the Commissioner's cost of the audit which led to
14 this disciplinary action. Respondents shall pay such cost within sixty (60) days of receiving an
15 invoice from the Commissioner. The Commissioner may suspend the Respondent's license
16 pending a hearing held in accordance with Section 11500, et seq., of the Government Code, if
17 payment is not timely made as provided for herein, or as provided for in a subsequent agreement
18 between the Respondent and the Commissioner. The suspension shall remain in effect until
19 payment is made in full or until Respondent enters into an agreement satisfactory to the
20 Commissioner to provide for payment, or until a decision providing otherwise is adopted
21 following a hearing held pursuant to this condition.

22 4) Pursuant to Section 10148 of the Business and Professions Code, NG shall jointly and
23 severally with TKC pay the Commissioner's reasonable cost, not to exceed \$5,013, for an audit to
24 determine if Respondents have corrected the trust fund violation(s) found in the Determination of
25 Issues. In calculating the amount of the Commissioner's reasonable cost, the Commissioner may
26 use the estimated average hourly salary for all persons performing audits of real estate brokers,
27 and shall include an allocation for travel time to and from the auditor's place of work.
Respondent shall pay such cost within sixty (60) days of receiving an invoice from the
Commissioner detailing the activities performed during the audit and the amount of time spent
performing those activities. The Commissioner may suspend Respondent's license pending a

1 hearing held in accordance with Section 11500, et seq., of the Government Code, if payment is not
2 timely made as provided for herein, or as provided for in a subsequent agreement between
3 Respondent and the Commissioner. The suspension shall remain in effect until payment is made
4 in full or until Respondent enters into an agreement satisfactory to the Commissioner to provide
5 for payment, or until a decision providing otherwise is adopted following a hearing held pursuant
6 to this condition.

7 5) All licenses and licensing rights of Respondent NG are indefinitely suspended unless or until
8 Respondent provides proof satisfactory to the Commissioner, of having taken and successfully
9 completed the continuing education course on trust fund accounting and handling specified in
10 paragraph (3) of subdivision (a) of Section 10170.5 of the Code. Proof of satisfaction of this
11 requirement includes evidence that respondent has successfully completed the trust fund account
12 and handling continuing education course within 120 days prior to the effective date of the
13 Decision in this matter.

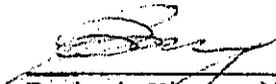
14 15-Aug-11
DATED


TRULY SUGHRUE
Counsel for Complainant

16 * * *

17 I have read the Stipulation and Agreement, discussed it with my counsel, and its
18 terms are understood by me and are agreeable and acceptable to me. I understand that I am
19 waiving rights given to me by the California Administrative Procedure Act, and I willingly,
20 intelligently and voluntarily waive those rights, including the right of requiring the
21 Commissioner to prove the allegations in the Accusations at a hearing at which I would have the
22 right to cross-examine witnesses against me and to present evidence in defense and mitigation of
23 the charges.

24 _____
DATED

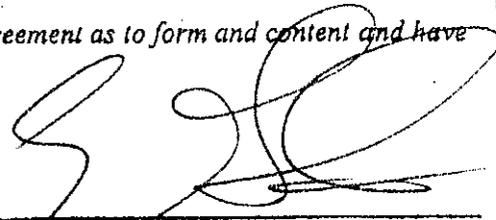

Benjamin Kimseng Ng, on behalf of
THE KEYROSE CORPORATION
Respondent

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DATED _____


BENJAMIN KIMSENG NG
Respondent

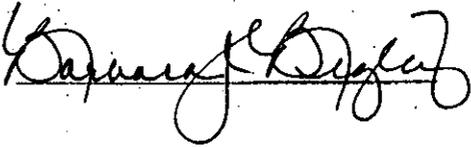
I have reviewed the Stipulation and Agreement as to form and content and have advised my client accordingly.


ERIK A. GRAVINK
Attorney for Respondents

The foregoing Stipulation and Agreement is hereby adopted as my Decision and shall become effective at 12 o'clock noon on **SEP 26 2011**, 2011.

IT IS SO ORDERED 8/29, 2011.

BARBARA J. BIGBY
Acting Real estate Commissioner



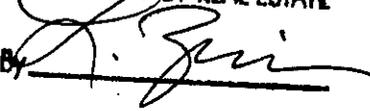
1 TRULY SUGHRUE, Counsel
2 State Bar No. 223266
3 Department of Real Estate
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5 Sacramento, CA 95818-7007

6 Telephone: (916) 227-0789
7 (916) 227-0781 (Direct)

FILED

MAR - 9 2011

DEPARTMENT OF REAL ESTATE

By 

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)

No. H-11081 SF

12 THE KEYROSE CORPORATION,)
13 and BENJAMIN KIMSENG NG,)

ACCUSATION

14 Respondents.)

15
16 The Complainant, E. J. Haberer II, a Deputy Real Estate Commissioner of the
17 State of California, for cause of Accusation against THE KEYROSE CORPORATION, and
18 BENJAMIN KIMSENG NG, (hereinafter "Respondents"), is informed and alleges as follows:

19 PRELIMINARY ALLEGATIONS

20 1

21 The Complainant, E. J. Haberer II, a Deputy Real Estate Commissioner of the
22 State of California, makes this Accusation in his official capacity.

23 2

24 Respondents are presently licensed and/or have license rights under the Real
25 Estate Law, Part 1 of Division 4 of the Business and Professions Code (hereinafter "the Code").

26 ///

27 ///

1 3

2 At all times mentioned, Respondent THE KEYROSE CORPORATION,
3 (hereinafter "TKC") was and is licensed by the State of California Department of Real Estate
4 (hereinafter "Department") as a real estate broker corporation.

5 4

6 At all times mentioned, Respondent BENJAMIN KIMSENG NG (hereinafter
7 "NG") was and is licensed by the Department individually as a real estate broker, and as the
8 designated broker officer of TKC. As said designated officer-broker, NG was responsible
9 pursuant to Section 10159.2 of the Code for the supervision of the activities of the officers,
10 agents, real estate licensees and employees of TKC for which a license is required.

11 5

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

17 6

18 At all times mentioned, Respondents engaged in the business of, acted in the
19 capacity of, advertised or assumed to act as a real estate broker in the State of California within
20 the meaning of Section 10131(d) of the Code, including the operation and conduct of a mortgage
21 loan brokerage business with the public wherein you, for or in expectation of compensation, for
22 another or others, solicited borrowers or lenders or negotiated loans or collected payments or
23 performed services for borrowers or lenders or note owners in connection with loans secured
24 directly or collaterally by liens on real property or on a business opportunity.

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1 FIRST CAUSE OF ACTION

2 7

3 Each and every allegation in Paragraphs 1 through 6, inclusive, above is
4 incorporated by this reference as if fully set forth herein.

5 8

6 In connection with the operation and conduct of the activities
7 described in Paragraphs 6, TKC engaged in the business of claiming, demanding, charging,
8 receiving, collecting or contracting for the collection of advance fees within the meaning of
9 Sections 10026 and 10131.2 (hereinafter "advance fee") of the Code including but not limited to
10 the following:

11

HOMEOWNER	Property Address	DATE	AMOUNT
12 Carlos A.	3925 Danbury Way, Fairfield	3/7/09 & 3/19/09	\$5,000
13 Carlos C.	1062 Sandalwood Way, Milpitas	3/19/09, 4/24/09, 5/7/09, & 6/7/09	\$7,000
14 Alberto C.	1428 Hale Street, Vallejo	3/7/09 & 3/20/09	\$3,880
15 Peter Q.	95 Bayview Drive, South San Francisco	3/21/09, 4/21/09, & 5/21/09	\$5,125
16 Abraham E.	72 Woodland Avenue, Daly City	5/12/09 & 8/7/09	\$3,500
17 Bellardo E.	2218 Babcock Lane, Tracy	6/11/09	\$5,000
18 Zoilo L.	38 Gladstone Drive, San Francisco	8/14/09, 9/15/09, & 10/12/09	\$4,500
19 Gloria R.	59 Sarcedo Way, American Canyon	6/20/09	\$6,000

20 ///

21 ///

22 ///

23 ///

24 ///

In connection with the collection and handling of said advance fee, TKC:

(a) Failed to cause the advance fee contract and all materials used in obtaining the advance fee agreement to be submitted to the Department of Real Estate prior to use as required by Section 10085 of the Code and Section 2970 of Title 10 of the California Code of Regulations (hereinafter "the Regulations");

(b) Failed to immediately deliver said trust funds into a neutral escrow depository, or into a trust fund account in violation of Section 10146 of the Code; and

(c) Failed to furnish the principal borrower the verified accounting required by Section 10146 of the Code and Section 2972 of the Regulations.

The acts and/or omissions of TKC described in the First Cause of Action, constitute violation of Section 10177(d) of the Code in conjunction with Sections 10085, 10085.5, and 10146 of the Code and Sections 2970 and 2972 of the Regulations, and are cause for the suspension or revocation of the license and license rights of Respondent TKC.

SECOND CAUSE OF ACTION

Each and every allegation in Paragraphs 1 through 10, inclusive, above, is incorporated by this reference as if fully set forth herein.

In acting as a real estate broker, as described in Paragraph 6, TKC accepted or received funds in trust (hereinafter "trust funds") from or on behalf of lenders, investors, note purchasers, borrowers, and others in connection with the servicing, solicitation, negotiation, processing, and consummation of mortgage loan investments by TKC.

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///

The aforesaid trust funds accepted or received by TKC were deposited or caused to be deposited by TKC into one or more bank accounts (hereinafter "trust funds accounts") maintained by TKC for the handling of trust funds, including but not limited to the following:

TITLE AND ACCOUNT NUMBERS

BANK

Keyrose Corporation dba Total Financial Solution
Account No. xxxxxx0803
(hereinafter "Bank 1")

Associated Bank
5200 N. Central Avenue,
Chicago, IL 60630

Plan B Pinoy LLC
Account No. xxxxxx6955
(hereinafter "Bank 2")

Park National Bank
801 North Clark Street
Chicago, IL 60610

In connection with the receipt and disbursement of trust funds, TKC:

(a) Failed to deposit trust funds into one or more trust funds accounts in the name of TKC as trustee at a bank or other financial institution, in conformance with Section 10145 of the Code and Section 2832 of the Regulations;

(b) Failed to maintain a written control record of all trust funds received and disbursed, containing all information required by Section 2831 of the Regulations;

(c) Failed to maintain separate beneficiary or transaction records containing all information required by Section 2831.1 of the Regulations;

(d) Failed to reconcile the balance of separate beneficiary or transaction records with the control record of trust funds received and disbursed at least once a month, and/or failed to maintain a record of such reconciliations for each account as required by Section 2831.2 of the Regulations;

///

///

1 (e) Caused, permitted, and/or allowed, the possible withdrawal of trust funds
2 from the trust funds accounts by a person who was not licensed by the Department and not
3 covered by a fidelity bond in violation of Section 2834 of the Regulations; and

4 (f) Commingled with TKC's own money or property, the money or property
5 of others which was received or held by TKC in trust in violation of Section 10176(e) of the
6 Code.

7 15

8 In the course of the activities described in Paragraph 6, TKC, failed to retain the
9 real estate salesperson license certificates of Fe de Mendoza, Siu Mei Ng, Aristotle Mendres Jr.,
10 and Ellison P. Soloria at his main office as required by Section 10160 of the Code and Section
11 2753 of the Regulations.

12 16

13 In the course of the activities described in Paragraph 6, TKC, employed real estate
14 salespersons, including but not limited to Fe de Mendoza, Siu Mei Ng, and Aristotle Mendres Jr.,
15 to engage in activities requiring a real estate salesperson license without first entering into the
16 broker-salesperson relationship agreement with such salespersons as required by Section 2726 of
the Regulations.

17 17

18 The facts alleged in the Second Cause of Action are grounds for the suspension
19 or revocation of the license and license rights of Respondent TKC under the following sections
20 of the Code and Regulations:

21 (1) As to Paragraphs 14(a), under Section 10177(d) of the Code in
22 conjunction with Section 10145 of the Code and Section 2832 of the Regulations;

23 (2) As to Paragraph 14(b), under Section 10177(d) of the Code in
24 conjunction with Section 2831 of the Regulations;

25 (3) As to Paragraph 14(c), under Section 10177(d) of the Code in conjunction
26 with Section 2831.1 of the Regulations;

27 ///

1 (4) As to Paragraph 14(d), under Section 10177(d) of the Code in
2 conjunction with Section 2831.2 of the Regulations;

3 (5) As to Paragraph 14(e), under Section 10177(d) of the Code in conjunction
4 with Section 2834 of the Regulations;

5 (6) As to Paragraphs 14(f), under Section 10176(e) of the Code;

6 (7) As to Paragraphs 15, under Section 10177(d) of the Code in conjunction
7 with Section 10160 of the Code and Section 2753 of the Regulations; and

8 (8) As to Paragraph 16, under Section 10177(d) of the Code in conjunction
9 with Section 2726 of the Regulations.

10 In addition, the Department is entitled to reimbursement of the costs of its audit
11 pursuant to Section 10148 of the Code.

12 THIRD CAUSE OF ACTION

13 18

14 Each and every allegation in Paragraphs 1 through 17, inclusive, above, is
15 incorporated by this reference as if fully set forth herein.

16 19

17 Respondent NG failed to exercise reasonable supervision over the acts of TKC in
18 such a manner as to allow the acts and events described in Paragraphs 7 through 17 to occur.

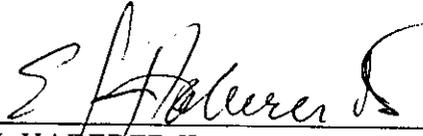
19 20

20 The acts and/or omissions of NG described in Paragraph 19, constitute failure on
21 the part of NG, as designated broker-officer for TKC, to exercise reasonable supervision and
22 control over the licensed activities of TKC as required by Section 10159.2 of the Code.

23 21

24 The facts described above as to the Third Cause of Accusation constitute cause
25 for the suspension or revocation of the licenses and license rights of Respondent NG under
26 Section 10177(g) and/or Section 10177(h) of the Code and Section 10159.2 of the Code in
27 conjunction with Section 10177(d) of the Code.

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

6
7 
8 E. J. HABERER II
9 Deputy Real Estate Commissioner

9 Dated at Oakland, California,
10 this 25th day of February, 2011