

FILED
MAR 11 2005
DEPARTMENT OF REAL ESTATE

[Signature]

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of)	
)	No. H-28452 LA
INVENTIVE ENTERPRISES, INC.)	
and WILLIAM GINIVER JOHNSON,)	
)	
Respondents.)	

ORDER GRANTING REINSTATEMENT OF LICENSE

On November 20, 2000, a Decision was rendered herein
revoking the corporate real estate broker license of
INVENTIVE ENTERPRISES, INC., and the real estate broker license
of WILLIAM GINIVER JOHNSON, effective December 26, 2000.
Respondents were given the right to apply for and receive
restricted real estate broker licenses, which were issued on
December 26, 2000.

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1 On or about October 29, 2003, Respondents petitioned
2 for reinstatement of their real estate licenses and the Attorney
3 General of the State of California has been given notice of the
4 filing.

5 I have considered Respondents' petitions and the
6 evidence and arguments in support thereof. Respondents have
7 demonstrated to my satisfaction that grounds do not presently
8 exist to deny the issuance of an unrestricted real estate
9 license to each Respondent.

10 I. NOW, THEREFORE, IT IS ORDERED THAT RESPONDENT
11 INVENTIVE ENTERPRISES, INC.'s petition for reinstatement is
12 granted and that an unrestricted corporate real estate broker
13 license be issued to this Respondent if it satisfies the
14 following condition within one (1) year from the date of this
15 Order:

16 Submittal of a completed application and payment of
17 the fee for a corporate real estate broker license.

18 II. IT IS ALSO ORDERED THAT RESPONDENT WILLIAM
19 GINIVER JOHNSON's petition for reinstatement is granted and that
20 an unrestricted real estate broker license be issued to this
21 Respondent if he satisfies the following conditions within one
22 (1) year from the date of this Order:

23 1. Submittal of a completed application and payment
24 of the fee for a real estate broker license.

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1 2. Submittal of proof satisfactory to the Commissioner
2 of having taken and completed the trust fund accounting and
3 handling course specified in paragraph (3), subdivision (a) of
4 Section 10170.5 of the Business and Professions Code.

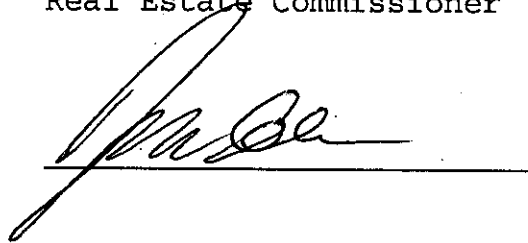
5 This Order shall become effective immediately.

6 DATED:

8-1-05

7 JEFF DAVI
8 Real Estate Commissioner

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23 cc: Inventive Enterprises, Inc.
24 William G. Johnson
25 5247 Hanover Drive
26 Cypress, CA 90630
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FILED
DEC - 6 2000
DEPARTMENT OF REAL ESTATE

By K. M. M. M. M.

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of) No. H-28452 LA
INVENTIVE ENTERPRISES, INC.,)
and WILLIAM GINIVER JOHNSON,) L-2000 040 323
Respondents.)

DECISION AFTER REJECTION

The above-entitled matter came on for hearing before Carolyn Dee Magnuson, Administrative Law Judge of the Office of Administrative Hearings at Los Angeles, California, on June 6, 2000.

Complainant was represented by James R. Peel, Counsel. Respondent William G. Johnson appeared personally and represented himself and respondent Inventive Enterprises, Inc. Evidence was received and the matter stood submitted on this date.

On July 6, 2000, the Administrative Law Judge submitted a Proposed Decision which I declined to adopt as the Decision of the Real Estate Commissioner. Pursuant to Section 11517(c) of the Government Code of the State of California,

1 Respondents were served with a copy of the Proposed Decision
2 dated July 6, 2000, and with Notice that the case would be
3 decided by me upon the record including the transcript of
4 proceedings held on June 6, 2000, and upon any written argument
5 offered by the parties.
6

7 Argument has been submitted on behalf of the
8 respondents. I have given careful consideration to the record in
9 this case including the transcript of proceedings of June 6,
10 2000.

11 The Decision in this matter is set forth below.

12
13 The Findings of Fact of the Proposed Decision of the
14 Administrative Law Judge are adopted in their entirety except
15 finding 18 is deleted in its entirety, and page 2, paragraph 5,
16 is corrected to read, as follows: 'On October 19, 1999, the
17 Department began an audit of Respondent's books and records for
18 the escrow business. The audit covered the period from February
19 19, 1997, to September 30, 1999.'

20
21 The Determination of Issues of the Proposed Decision of
22 the Administrative Law Judge are adopted in their entirety.

23
24 The Order of the Proposed Decision of the
25 Administrative Law Judge is adopted in its entirety except page
26 6, paragraph 3, is amended to read as follows:
27

1 3. Pursuant to Section 10148 of the Business and
2 Professions Code, Respondents shall pay the Commissioner's
3 reasonable cost for: a) the audit which led to this
4 disciplinary action and, b) a subsequent audit to determine if
5 Respondents have corrected the trust fund violations found in
6 the Determination of Issues. In calculating the amount of the
7 Commissioner's reasonable cost, the Commissioner may use the
8 estimated average hourly salary for all persons performing
9 audits of real estate brokers, and shall include an allocation
10 for travel costs, including mileage, time to and from the
11 auditor's place of work and per diem. Respondents shall pay
12 such cost within 60 days of receiving an invoice from the
13 Commissioner detailing the activities performed during the audit
14 and the amount of time spent performing those activities. The
15 Commissioner may suspend the restricted license issued to
16 Respondents pending a hearing held in accordance with Section
17 11500, et seq., of the Government Code, if payment is not timely
18 made as provided for herein, or as provided for in a subsequent
19 agreement between the Respondents and the Commissioner. The
20 suspension shall remain in effect until payment is made in full
21 or until Respondents enter into an agreement satisfactory to the
22 Commissioner to provide for payment, or until a decision
23 providing otherwise is adopted following a hearing held pursuant
24 to this condition.
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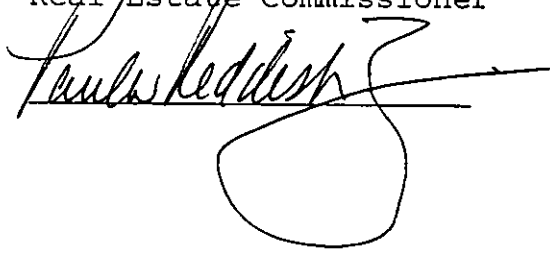
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This Decision shall become effective at 12 o'clock
noon on December 26, 2000

IT IS SO ORDERED November 20, 2000

PAULA REDDISH ZINNEMANN
Real Estate Commissioner



facto glary

FILED
AUG 10 2000
DEPARTMENT OF REAL ESTATE

By *K. Wiederholt*

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA
* * *

In the Matter of the Accusation of)	
)	No. H-28452 LA
INVENTIVE ENTERPRISES, INC.,)	
and WILLIAM GINIVER JOHNSON,)	L-2000040323
)	
Respondents.)	

NOTICE

TO: Respondents INVENTIVE ENTERPRISES, INC., and WILLIAM GINIVER JOHNSON.

YOU ARE HEREBY NOTIFIED that the Proposed Decision herein dated July 6, 2000, of the Administrative Law Judge is not adopted as the Decision of the Real Estate Commissioner. A copy of the Proposed Decision dated July 6, 2000, is attached for your information.

In accordance with Section 11517(c) of the Government Code of the State of California, the disposition of this case will be determined by me after consideration of the record herein including the transcript of the proceedings held on June 6,

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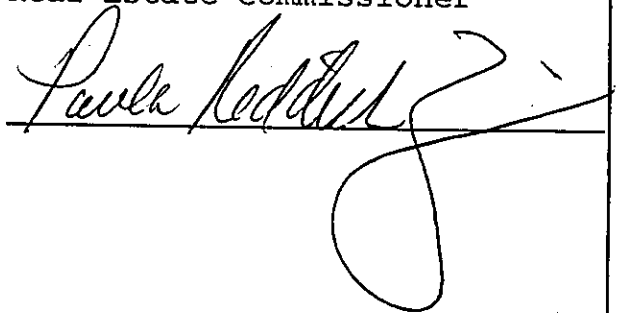
1 2000, and any written argument hereafter submitted on behalf of
2 Respondent and Complainant.

3 Written argument of Respondent to be considered by me
4 must be submitted within 15 days after receipt of the transcript
5 of the proceedings of June 6, 2000, at the Los Angeles office of
6 the Department of Real Estate unless an extension of the time is
7 granted for good cause shown.

8 Written argument of Complainant to be considered by me
9 must be submitted within 15 days after receipt of the argument of
10 Respondent at the Los Angeles office of the Department of Real
11 Estate unless an extension of the time is granted for good cause
12 shown.

13 DATED: August 1, 2000

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15 PAULA REDDISH ZINNEMANN
16 Real Estate Commissioner

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BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of:

INVENTIVE ENTERPRISES, INC.
and WILLIAM GINTVER JOHNSON,

Respondents.

Agency Case No. H-28452 LA

OAH Case No. L-2000040323

PROPOSED DECISION

This matter came on regularly for hearing before Carolyn Dee Magnuson, Administrative Law Judge of the Office of Administrative Hearing on June 6, 2000 in Los Angeles, California.

James R. Peel, Staff Attorney, represented the Complainant.

William G. Johnson appeared personally and represented himself and Inventive Enterprises, Inc.

Oral and documentary evidence was received, and the matter was submitted for decision.

The Administrative Law Judge makes the following findings of fact:

1. Daniel M. Hatt, the Complainant, made the Accusation in his official capacity as a Deputy Real Estate Commissioner of the Department of Real Estate ("Department"), State of California.
2. At all relevant times, Inventive Enterprises, Inc. ("IEI" and "Respondent") was licensed by the Department as a corporate real estate broker and William G. Johnson ("Respondent") was licensed as the designated broker officer of said corporation.
3. At all relevant times, IEI, on behalf of others and in expectation of compensation, engaged in the business of, acted in the capacity of, advertised or assumed to act as a real estate broker in the State of California within the meaning of Section 10131(a) and (b) of the Business and Professions Code, including soliciting

buyers and sellers and negotiating the sale of real property, and soliciting owners, renters, and collecting rents from real property.

4. During 1998 and 1999, in connection with their real estate brokerage activities, Respondents accepted or received funds from owners and renters, and thereafter made disbursements of such funds. Said deposits and disbursements were made from trust accounts maintained by Respondents at Union Bank of California 1980 Saturn St., Monterey Park, California.

5. On September 22, 1999, the Department began an audit of Respondents' books and records for the escrow business. The audit covered the period from October 19, 1999 to October 22, 1999.

6. In the course of the audit, it was determined that Respondents were employing five departmental licensees whose employment had not been reported to the Department.

7. Respondent testified that he had notified the Department when the agents were hired, but Respondent did not produce any documentary evidence to support that claim.

8. Respondent did notify the Department of the agents' employment during the audit period.

9. On October 19, 1999, the Department began an audit of Respondents' books and records for the property management business. The audit covered the period of April 1, 1998 to September 30, 1999.

10. In the course of the audit, it was determined that Respondents had acted in violation of the real estate law in the following respects:

- a. As of September 30, 1999, there was a shortage in the property management trust account in the amount of \$2,797.09.
- b. Respondents used the unlicensed fictitious business name "Star Property Management" in the conduct of their property management business.
- c. The columnar records did not include the date funds were received and the date funds were deposited.
- d. The separate records did not include the daily balance after each posting.
- e. The trust account was not reconciled each month.
- f. Rental income was not deposited within three days of receipt.

11. Respondent acknowledged that he did not have the beneficiaries' written permission to reduce the trust account balance below the aggregate trust liability. Respondent explained that the deficit existed because he had paid for repairs to rental property before the rental income had been received. Respondent made up the account deficit during the audit.

12. Subsequently, IEI has revised its property management agreements to provide approval for such expenditures.

13. The various accounting problems the audit found largely resulted from Respondents' use of an accounting program that did not provide the kinds of information the Department requires. Respondents have changed to an accounting program designed for use by real estate professionals, and all documentation and information that the law requires is now included in Respondents' records.

14. During the audit period, Respondent filed a fictitious business name statement with the County of Orange and filed with the Department to use the fictitious business name "Star Property Management."

15. Respondents now have written permission from their beneficiaries to hold rental receipts for five days. Nonetheless, IEI has changed the business procedures so that bank deposits are made every other day.

16. Before Respondent Johnson became the designated broker for IEI, the Department instituted discipline against the corporation and its former designated broker. Respondent Johnson has been a real estate broker for 27 years, and this is the first discipline involving him.

17. Respondents were cooperative with the audit and promptly corrected all the violations that were noted.

18. At trial, complainant asked for reimbursement of the costs of the 1999 audits, but no evidence of those costs was introduced.

* * * * *

Based on the forgoing Findings of Fact, the Administrative Law Judge makes the following Determination of Issues:

1. Cause exists under the provisions of Business and Professions Code section 10145(a) and 10 CCR section 2832.1 to discipline IEI's license for maintaining a shortage in a trust account.

2. Cause exists under the provisions 10 CCR section 2731 to discipline IEI's license for using an unlicensed fictitious business name.

3. Cause exists under the provisions 10 CCR section 2752 to discipline IEI's license for failing to notify the Department when salespersons entered their employment.

4. Cause exists under the provisions 10 CCR section 2831 to discipline IEI's license for failing to record the dates funds were received and deposited.

5. Cause exists under the provisions 10 CCR section 2831.1 to discipline IEI's license for failing to compute the daily balance after each posting.

6. Cause exists under the provisions 10 CCR section 2831.2 to discipline IEI's license for failing to make a monthly reconciliation of the trust account.

7. Cause exists under the provisions 10 CCR section 2832 to discipline IEI's license for holding rental receipts more than three business days after receipt.

8. Cause exists under the provisions of Business and Professions Code sections 10177(d) and 10177(g) to discipline IEI's license for violations of the real estate law.

9. Cause exists under the provisions of Business and Professions Code sections 10177(d) and 10177(h) to discipline Respondent Johnson's license for allowing IEI to engage in the violations of the real estate law set forth above.

* * * * *

WHEREFORE, THE FOLLOWING ORDER is made:

10/1/14
adopted

1. All licenses and licensing rights of IEI under the Real Estate Law are revoked; provided, however, a restricted real estate broker license shall be issued to Respondent pursuant to Section 10156.5 of the Business and Professions Code if Respondent makes application thereof and pays to the Department of Real Estate the appropriate fee for the restricted license within 90 days from the effective date of this Decision. The restricted license issued to Respondent shall be subject to all of the provisions of Section 10156.7 of the Business and Professions Code and to the following limitations, conditions and restrictions imposed under authority of Section 10156.6 of that Code:

a. The restricted license issued to Respondent may be suspended prior to hearing by Order of the Real Estate Commissioner in the event of IEI's conviction or plea of nolo contendere to a crime which is substantially related to IEI's fitness or capacity as a real estate licensee.

b. The restricted license issued to IEI may be suspended prior to hearing by Order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that IEI has violated provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of the Real Estate Commissioner or conditions attaching to the restricted license.

c. IEI shall not be eligible to apply for the issuance of an unrestricted real estate license nor for the removal of any of the conditions, limitations or restrictions of a restricted license until two (2) years have elapsed from the effective date of this Decision.

2. All licenses and licensing rights of William G. Johnson under the Real Estate Law are revoked; provided, however, a restricted real estate broker license shall be issued to Respondent pursuant to Section 10156.5 of the Business and Professions Code if Respondent makes application thereof and pays to the Department of Real Estate the appropriate fee for the restricted license within 90 days from the effective date of this Decision. The restricted license issued to Respondent shall be subject to all of the provisions of Section 10156.7 of the Business and Professions Code and to the following limitations, conditions and restrictions imposed under authority of Section 10156.6 of that Code:

a. The restricted license issued to Respondent may be suspended prior to hearing by Order of the Real Estate Commissioner in the event of Respondent's conviction or plea of nolo contendere to a crime which is substantially related to Respondent's fitness or capacity as a real estate licensee.

b. The restricted license issued to Respondent may be suspended prior to hearing by Order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that Respondent has violated provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of the Real Estate Commissioner or conditions attaching to the restricted license.

c. Respondent shall not be eligible to apply for the issuance of an unrestricted real estate license nor for the removal of any of the conditions, limitations or restrictions of a restricted license until two (2) years have elapsed from the effective date of this Decision.

d. Respondent shall, within nine months from the effective date of this Decision, present evidence satisfactory to the Real Estate Commissioner that Respondent has, since the most recent issuance of an original or renewal real estate license, taken and successfully completed the continuing education requirements of Article 2.5 of Chapter 3 of the Real Estate Law for renewal of a real estate license. If Respondent fails to satisfy this condition, the

*set
adapted*

Commissioner may order the suspension of the restricted license until the Respondent presents such evidence. The Commissioner shall afford Respondent the opportunity for a hearing pursuant to the Administrative Procedure Act to present such evidence.

AMENDED

e. Respondent shall, within six months from the effective date of the restricted license, take and pass the Professional Responsibility Examination administered by the Department, including the payment of the appropriate examination fee. If Respondent fails to satisfy this condition, the Commissioner may order suspension of the restricted license until Respondent passes the examination.

3. Respondents jointly shall pay up to \$2,000 for the cost of one audit of the licensees' books and records to be conducted by the Department during the probationary period

Dated: July 6, 2000

Carolyn D. Magnuson
CAROLYN D. MAGNUSON
Administrative Law Judge
Office of Administrative Hearings

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

FILE
MAY 1 2000
DEPARTMENT OF REAL ESTATE

In the Matter of the Accusation of)

Case No. H-28452 LA

) OAH No. L-2000040323

INVENTIVE ENTERPRISES, INC., et al.,)

By James R. Peel

Respondents.)

NOTICE OF HEARING ON ACCUSATION

To the above-named Respondent(s):

You are hereby notified that a hearing will be held before the Department of Real Estate at Office of Administrative Hearings, 320 West Fourth Street, 6th Floor, Suite 630, Los Angeles, California, on JUNE 6, 2000, at the hour of 9:00 a.m., or as soon thereafter as the matter can be heard, upon the Accusation served upon you. If you object to the place of hearing, you must notify the presiding administrative law judge of the Office of Administrative Hearings within ten (10) days after this notice is served upon you. Failure to notify the presiding administrative law judge within ten days will deprive you of a change in the place of hearing.

You may be present at the hearing. You have the right to be represented by an attorney at your own expense. You are not entitled to the appointment of an attorney to represent you at public expense. You are entitled to represent yourself without legal counsel. If you are not present in person nor represented by counsel at the hearing, the Department may take disciplinary action against you based upon any express admission or other evidence including affidavits, without any notice to you.

You may present any relevant evidence and will be given full opportunity to cross-examine all witnesses testifying against you. You are entitled to the issuance of subpoenas to compel the attendance of witnesses and the production of books, documents or other things by applying to the Department of Real Estate.

The hearing shall be conducted in the English language. If you want to offer the testimony of any witness who does not proficiently speak the English language, you must provide your own interpreter and pay his or her costs. The interpreter must be certified in accordance with Sections 11435.30 and 11435.55 of the Government Code.

Dated: MAY 1 2000

DEPARTMENT OF REAL ESTATE

By:

James R. Peel
JAMES R. PEEL, Counsel

cc: Inventive Enterprises, Inc.
William G. Johnson
Sacto.
OAH

SAC10

1 JAMES R. PEEL, Counsel
2 State Bar No. 47055
3 Department of Real Estate
320 West Fourth Street, Suite 350
4 Los Angeles, CA 90013-1105
5 Telephone: (213) 576-6982
6 --or-- (213) 576-6913 (Direct)
7

FILED
MAR 20 2000
DEPARTMENT OF REAL ESTATE

By J. Head

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * * *

11 In the Matter of the Accusation of) NO. H-28452 LA
12 INVENTIVE ENTERPRISES, INC.) A C C U S A T I O N
13 and WILLIAM GINIVER JOHNSON)
14 Respondents.)

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16 The Complainant, Daniel M. Hatt, a Deputy Real
17 Estate Commissioner of the State of California, for cause of
18 Accusation against INVENTIVE ENTERPRISES, INC. and WILLIAM
19 GINIVER JOHNSON, alleges as follows:

20 I

21 The Complainant, Daniel M. Hatt, acting in his
22 official capacity as a Deputy Real Estate Commissioner of the
23 State of California makes this Accusation against INVENTIVE
24 ENTERPRISES, INC. and WILLIAM GINIVER JOHNSON.

25 II

26 INVENTIVE ENTERPRISES, INC. and WILLIAM GINIVER
27 JOHNSON are presently licensed and/or have license rights



1 under the Real Estate Law (Part 1 of Division 4 of the
2 Business and Professions Code) (hereinafter "Code").

3
4 III

5 At all times herein mentioned, Respondent INVENTIVE
6 ENTERPRISES, INC., was licensed by the Department of Real
7 Estate of the State of California as a corporate real estate
8 broker and Respondent WILLIAM GINIVER JOHNSON was licensed as
9 the designated broker officer of said corporation, and
10 ordered, authorized or participated in the illegal conduct of
11 Respondent INVENTIVE ENTERPRISES, INC., as alleged in this
12 Accusation. Respondent INVENTIVE ENTERPRISES, INC., was
13 previously disciplined in Case No. H-26451 LA, effective
14 September 12, 1996, whereby its real estate broker license was
15 suspended for 90 days, which suspension was stayed upon terms
16 and conditions.

17 IV

18 At all times herein mentioned, Respondent INVENTIVE
19 ENTERPRISES, INC., on behalf of others in expectation of
20 compensation, engaged in the business of, acted in the
21 capacity of, advertised or assumed to act as a real estate
22 broker in the State of California within the meaning of
23 Section 10131(a) and (b) of the Code, including soliciting
24 buyers and sellers and negotiating the sale of real property,
25 and soliciting owners, renters, and collecting rents from real
26 property.

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V

During 1998 and 1999, in connection with the aforesaid real estate brokerage activities, Respondent INVENTIVE ENTERPRISES, INC., accepted or received funds from owners and renters, and thereafter made disbursements of such funds. Respondent maintained Trust Account No. 2110059623, Union Bank of California, 1980 Saturn St., Monterey Park.

VI

In connection with Respondents' activities as a real estate broker, as described above, Respondents INVENTIVE ENTERPRISES, INC. and WILLIAM GINIVER JOHNSON, acted in violation of the Real Estate Law, Business and Professions Code (hereinafter "Code"), and California Code of Regulations, (hereinafter "Regulations") Title 10, Chapter 6, as follows:

1. Violated Section 10145(a) of the Code and Regulation 2832.1 by maintaining, as of September 30, 1999, a shortage in the trust account in the amount of \$2,797.09.

2. Violated Regulation 2731 by using the unlicensed fictitious business name Star Property Management in the conduct of their brokerage business.

3. Violated Regulation 2752 by failing to notify the Department of Real Estate when salespersons entered their employment.

4. Violated Regulation 2831 in that the columnar record was missing the date funds were received and the date funds were deposited.

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1 5. Violated Regulation 2831.1 in that the separate
2 records did not include the daily balance after each posting
3 and date funds were deposited.
4

5 6. Violated Regulation 2831.2 by failing to
6 maintain monthly reconciliations for the trust account.
7

8 7. Violated Regulation 2832 by holding rental
9 income receipts beyond the next three business days after
10 being received without written authorization from the
11 principals.

12 VII

13 The conduct of Respondent INVENTIVE ENTERPRISES,
14 INC., as alleged above, subjects its real estate license and
15 license rights to suspension or revocation pursuant to
16 Sections 10177(d) and 10177(g) of the Code.

17 VIII

18 The conduct of Respondent WILLIAM GINIVER JOHNSON,
19 as alleged above, as the responsible broker, by allowing and
20 permitting Respondent INVENTIVE ENTERPRISES, INC., to engage
21 in the conduct specified in Paragraph VI above, subjects his
22 real estate license and license rights to suspension or
23 revocation pursuant to Sections 10177(d) and 10177(h) of the
24 Code.

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

11 Dated at Los Angeles, California
12 this 20th day of March, 2000.

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14 _____
15 Deputy Real Estate Commissioner
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24 .
25 cc: Inventive Enterprises, Inc.
26 William Giniver Johnson
27 Daniel Hatt
L.A. Audits
Sacto
AS