

proceedings

FILED
APR 16 2007

Department of Real Estate
320 West 4th Street, Ste. 350
Los Angeles, California 90013-1105

DEPARTMENT OF REAL ESTATE

Telephone: (213) 576-6982 (office)

By *R. Kuderholt*

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of	)	No. H-32651 LA
	)	L-2006050928
<u>CIS REALTY INC.</u> , and CHRIS DUCKYUN	)	
LEE, individually and as	)	
designated officer of CIS Realty	)	
Inc. and CHRIS S. SIM,	)	
individually and as former	)	
designated officer of	)	
CIS Realty Inc.	)	

Respondents

ORDER ACCEPTING VOLUNTARY SURRENDER OF REAL ESTATE LICENSE

On April 4, 2006, an Accusation was filed in this matter against Respondent CIS REALTY INC., and CHRIS DUCKYUN LEE, individually and as designated officer of CIS Realty Inc. and CHRIS S. SIM, individually and as former designated officer of CIS Realty Inc.

On July 25, 2006, Respondent CIS REALTY INC., petitioned the Commissioner to voluntarily surrender its real

1 estate broker license pursuant to Section 10100.2 of the
2 Business and Professions Code.

3 IT IS HEREBY ORDERED that Respondent CIS REALTY
4 INC.'s petition for voluntary surrender of its real estate
5 broker license is accepted as of the effective date of this
6 Order as set forth below, based upon the understanding and
7 agreement expressed in Respondent's Declaration dated July 25,
8 2006 (attached as Exhibit "A" hereto). Respondent's license
9 certificate and pocket card shall be sent to the below listed
10 address so that they reach the Department on or before the
11 effective date of this Order:

12 Department of Real Estate
13 Atten: Licensing Flag Section
14 P.O. BOX 18700
Sacramento, CA 95818-7000

15 This Order shall become effective at 12 o'clock noon
16 on MAY - 7, 2007.

17
18 DATED: 4-10, 2007
19

20 JEFF DAVI
21 Real Estate Commissioner

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1 ELLIOTT MAC LENNAN, SBN 66674
2 Department of Real Estate
3 320 West 4th Street, Ste. 350
4 Los Angeles, California 90013-1105

5 Telephone: (213) 576-6911 (direct)
6 -or- (213) 576-6982 (office)
7

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of) No. H-32651 LA
12) L-2006050928
13 CIS REALTY INC., and CHRIS DUCKYUN)
14 LEE, individually and as)
15 designated officer of CIS Realty)
16 Inc. and CHRIS S. SIM,)
17 individually and as former)
18 designated officer of)
19 CIS Realty Inc.)
20 Respondents)
21)
22)
23)
24)
25)
26)
27)

28 DECLARATION

29 My name is BONGSIN KWARK and I am the Chief Executive
30 Officer of CIS REALTY INC., a corporate real estate broker. I am
31 authorized and empowered to sign this declaration on behalf of
32 CIS REALTY INC., I am acting on behalf of CIS REALTY INC., in
33 this matter.

34 In lieu of proceeding in this matter in
35 accordance with the provisions of the Administrative Procedure
36 Act (Sections 11400 et seq., of the Government Code) CIS REALTY
37

1 INC., wishes to voluntarily surrender its real estate license
2 issued by the Department of Real Estate ("Department"),
3 pursuant to Business and Professions Code Section 10100.2.

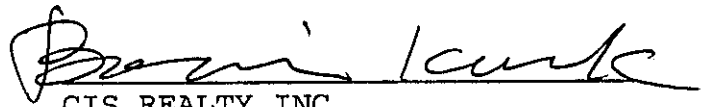
4 I understand that CIS REALTY INC., by so voluntarily
5 surrendering its license, can only have it reinstated in
6 accordance with the provisions of Section 11522 of the Government
7 Code. I also understand that by so voluntarily surrendering its
8 license, CIS REALTY INC., agrees to the following:

9 The filing of this Declaration shall be deemed as its
10 petition for voluntary surrender. It shall also be deemed to be
11 an understanding and agreement by CIS REALTY INC., that, it
12 waives all rights it has to require the Commissioner to prove
13 the allegations contained in the Accusation filed in this matter
14 at a hearing held in accordance with the provisions of the
15 Administrative Procedure Act (Government Code Sections 11400 et
16 seq.), and that it also waives other rights afforded to it in
17 connection with the hearing such as the right to discovery, the
18 right to present evidence in defense of the allegations in the
19 Accusation and the right to cross-examine witnesses. I further
20 agree on behalf of CIS REALTY INC., that upon acceptance by the
21 Commissioner, as evidenced by an appropriate order, all
22 affidavits and all relevant evidence obtained by the Department
23 in this matter prior to the Commissioner's acceptance, and all
24 allegations contained in the Accusation filed in the Department
25 Case No. H-32651 LA, may be considered by the Department to be
26
27

1 true and correct for the purpose of deciding whether or not to
2 grant reinstatement of CIS REALTY INC., license pursuant to
3 Government Code Section 11522.

4 I declare under penalty of perjury under the laws of
5 the State of California that the above is true and correct and
6 that I am acting freely and voluntarily on behalf of CIS REALTY
7 INC., to surrender its license and all license rights attached
8 thereto.

9
10 7/25, 2006
11 Date


CIS REALTY INC.
By: BONGSIN KWARK, D.O.

*Jack
Hag*

FILED
APR 16 2007

DEPARTMENT OF REAL ESTATE

By *R. M. Derhold*

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)

H-32651 LA

CHRIS DUCKYUN LEE,)

Respondent.)

ORDER NUNC PRO TUNC MODIFYING

DECISION

It having been called to the attention of the Real Estate Commissioner that there are errors in the Decision by Stipulation and Agreement dated January 30, 2007, effective March 19, 2007, and good cause appearing therefor, the Stipulation and Agreement is amended as follows:

Page 7, Paragraph III, line 22 is amended to substitute "Decision" for "restricted license".

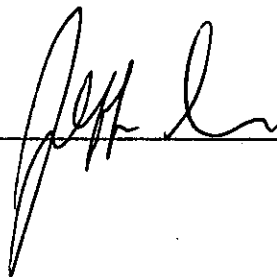
This Order, nunc pro tunc to March 19, 2007, shall become effective immediately.

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IT IS SO ORDERED

4-10-07

JEFF DAVI
Real Estate Commissioner

A handwritten signature in dark ink, appearing to read "Jeff Davi", is written over a horizontal line.

*Index
file*

FILED
APR 16 2007
DEPARTMENT OF REAL ESTATE

By *W. Mederholt*

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)

H-32651 LA

CHRIS S. SIM,)

Respondent.)

ORDER NUNC PRO TUNC MODIFYING

DECISION

It having been called to the attention of the Real Estate Commissioner that there are errors in the Decision by Stipulation and Agreement dated January 30, 2007, effective March 19, 2007, and good cause appearing therefor, the Stipulation and Agreement is amended as follows:

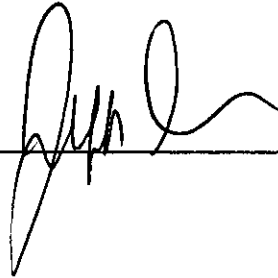
Page 7, Paragraph III, line 22 is amended to substitute "Decision" for "restricted license".

This Order, nunc pro tunc to March 19, 2007, shall become effective immediately.

IT IS SO ORDERED

4-10-07

JEFF DAVI
Real Estate Commissioner

A handwritten signature in black ink, appearing to read "Jeff Davi", is written over a horizontal line.

1 ELLIOTT MAC LENNAN, SBN 66674
2 Department of Real Estate
3 320 West 4th Street, Ste. 350
4 Los Angeles, California 90013-1105

5 Telephone: (213) 576-6911 (direct)
6 -or- (213) 576-6982 (office)

FILED
FEB 16 2007
DEPARTMENT OF REAL ESTATE

By *K. MacLennan*

8
9 BEFORE THE DEPARTMENT OF REAL ESTATE

10 STATE OF CALIFORNIA

11 * * *

12 In the Matter of the Accusation of)
13 CIS REALTY INC., and)
14 CHRIS DUCKYUN LEE, individually)
15 and as designated officer of)
16 CIS Realty Inc., and CHRIS S. SIM,)
17 individually and as former)
18 designated officer of CIS Realty,)
19 Respondents,)

No. H-32651 LA

STIPULATION
AND
AGREEMENT

20 It is hereby stipulated by and between Respondent
21 CHRIS DUCKYUN LEE, represented by Paul Samarin, Esq., (sometimes
22 referred to as "Respondent") and the Complainant, acting by and
23 through Elliott Mac Lennan, Counsel for the Department of Real
24 Estate, as follows for the purpose of settling and disposing of
25 the Accusation ("Accusation") filed on April 4, 2006, in this
26 matter:

27 1. All issues which were to be contested and all
evidence which was to be presented by Complainant and Respondent

1 at a formal hearing on the Accusation, which hearing was to be
2 held in accordance with the provisions of the Administrative
3 Procedure Act ("APA"), shall instead and in place thereof be
4 submitted solely on the basis of the provisions of this
5 Stipulation and Agreement ("Stipulation").

6 2. Respondent has received, read and understands the
7 Statement to Respondent, the Discovery Provisions of the APA and
8 the Accusation filed by the Department of Real Estate in this
9 proceeding.

10 3. Respondent timely filed a Notice of Defense
11 pursuant to Section 11506 of the Government Code for the purpose
12 of requesting a hearing on the allegations in the Accusation.
13 Respondent hereby freely and voluntarily withdraws said Notice of
14 Defense. Respondent acknowledges that he understands that by
15 withdrawing said Notice of Defense he thereby waives his right to
16 require the Commissioner to prove the allegations in the
17 Accusation at a contested hearing held in accordance with the
18 provisions of the APA and that he will waive other rights
19 afforded to him in connection with the hearing such as the right
20 to present evidence in his defense the right to cross-examine
21 witnesses.
22

23 4. This Stipulation is based on the factual
24 allegations contained in the Accusation. In the interest of
25 expedience and economy, Respondent chooses not to contest these
26 allegations, but to remain silent and understands that, as a
27

1 result thereof, these factual allegations, without being admitted
2 or denied, will serve as a prima facie basis for the disciplinary
3 action stipulated to herein. The Real Estate Commissioner shall
4 not be required to provide further evidence to prove said factual
5 allegations.

6 5. This Stipulation and Respondent's decision not to
7 contest the Accusation is made for the purpose of reaching an
8 agreed disposition of this proceeding and is expressly limited to
9 this proceeding and any other proceeding or case in which the
10 Department of Real Estate ("Department"), the state or federal
11 government, or any agency of this state, another state or federal
12 government is involved, and otherwise shall not be admissible in
13 any other criminal or civil proceedings.

14 6. It is understood by the parties that the Real
15 Estate Commissioner may adopt this Stipulation as his Decision in
16 this matter thereby imposing the penalty and sanctions on
17 Respondent's real estate licenses and license rights as set forth
18 in the "Order" herein below. In the event that the Commissioner
19 in his discretion does not adopt the Stipulation, it shall be
20 void and of no effect and Respondent shall retain the right to a
21 hearing and proceeding on the Accusation under the provisions of
22 the APA and shall not be bound by any stipulation or waiver made
23 herein.
24

25 7. The Order or any subsequent Order of the Real
26 Estate Commissioner made pursuant to this Stipulation shall not
27

1 constitute an estoppel, merger or bar to any further
2 administrative or civil proceedings by the Department of Real
3 Estate with respect to any matters which were not specifically
4 alleged to be causes for Accusation in this proceeding but do
5 constitute a bar, estoppel and merger as to any allegations
6 actually contained in the Accusations against Respondent herein.

7 8. Respondent understands that by agreeing to this
8 Stipulation, Respondent agrees to pay, pursuant to Business and
9 Professions Code Section 10148, the cost of audit which led to
10 this disciplinary action. The total amount of said cost is
11 \$3,600.97.

12 9. Respondent has received, read, and understands the
13 "Notice Concerning Costs of Subsequent Audit". Respondent
14 further understands that by agreeing to this Stipulation, the
15 findings set forth below in the Determination of Issues become
16 final, and the Commissioner may charge Respondent for the cost of
17 any subsequent audit conducted pursuant to Business and
18 Professions Code Section 10148 to determine if the violations
19 have been corrected. The maximum cost of the subsequent audit
20 will not exceed \$3,600.97.
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DETERMINATION OF ISSUES

By reason of the foregoing, it is stipulated and agreed that the following determination of issues shall be made:

I.

The conduct of CHRIS DUCKYUN LEE, as described in Paragraph 4, above, is in violation of Business and Professions Code ("Code") Section 10145, 10176(e), 10176(g) and 10240 and Sections 2831, 2831.1, 2832(d), and 2840 of Title 10, Chapter 6 of the California Code of Regulations ("Regulations") and is a basis for the suspension or revocation of Respondent's license and license rights as violations of the Real Estate Law pursuant to Code Sections 10177(d), 10177(g) and 10177(h).

ORDER

WHEREFORE, THE FOLLOWING ORDER is hereby made:

I. All licenses and licensing rights of Respondent CHRIS DUCKYUN LEE under the Real Estate Law suspended for a period of ninety (90) days from the effective date of this Decision; provided, however, that if Respondent petitions, thirty (30) days of said suspension (or a portion thereof) shall be stayed for two (2) years upon condition that:

A. 1. Respondent pays a monetary penalty pursuant to Section 10175.2 of the Business and Professions Code at the rate of \$83.33 per day for each day of the suspension for a total monetary penalty of \$2,500.

2. Said payment shall be in the form of a cashier's

1 check or certified check made payable to the Recovery Account of
2 the Real Estate Fund. Said check must be received by the
3 Department prior to the effective date of the Decision in this
4 matter.

5 3. No further cause for disciplinary action against
6 the real estate license of Respondent occurs within two (2) years
7 from the effective date of the Decision in this matter.

8 4. If Respondent fails to pay the monetary penalty in
9 accordance with the terms of the Decision, the Commissioner may,
10 without a hearing, order the immediate execution of all or any
11 part of the stayed suspension, in which event the Respondent
12 shall not be entitled to any repayment nor credit, prorated or
13 otherwise, for money paid to the Department under the terms of
14 this Decision.

15 5. If Respondent pays the monetary penalty and if no
16 further cause for disciplinary action against the real estate
17 license of Respondent occurs within two (2) years from the
18 effective date of the Decision, the stay hereby granted shall
19 become permanent.
20

21 B.1. The remaining sixty (60) days of the ninety (90)
22 day suspension shall be stayed for two (2) years upon the
23 following terms and conditions:

24 2. Respondent shall obey all laws, rules and
25 regulations governing the rights, duties and responsibilities of
26 a real estate licensee in the State of California; and
27

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

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

21 III. Respondent shall within six months from the
22 effective date of the restricted license, take and pass the
23 Professional Responsibility Examination administered by the
24 Department including the payment of the appropriate examination
25 fee. If respondent fails to satisfy this condition, the
26 Commissioner may order suspension of the restricted license until
27

1 respondent passes the examination.

2 IV. Pursuant to Section 10148 of the Business and
3 Professions Code, Respondent CHRIS DUCKYUN LEE, jointly and
4 severally with Chris S. Sim and CIS Realty Inc. shall pay the
5 Commissioner's reasonable cost for (a) the audit which led to
6 this disciplinary action (b) a subsequent audit to determine if
7 Respondent is now in compliance with the Real Estate Law. The
8 cost of the audit which led to this disciplinary action is
9 \$3,600.97. In calculating the amount of the Commissioner's
10 reasonable cost, the Commissioner may use the estimated average
11 hourly salary for all persons performing audits of real estate
12 brokers, and shall include an allocation for travel time to and
13 from the auditor's place of work. Said amount for the prior and
14 subsequent audits shall not exceed \$7,201.94

15
16 Respondent shall pay such cost within 60 days of
17 receiving an invoice from the Commissioner detailing the
18 activities performed during the audit and the amount of time
19 spent performing those activities.

20 The Commissioner may suspend the license of
21 Respondent pending a hearing held in accordance with Section
22 11500, et seq., of the Government Code, if payment is not timely
23 made as provided for herein, or as provided for in a subsequent
24 agreement between the Respondent and the Commissioner. The
25 suspension shall remain in effect until payment is made in full
26 or until Respondent enters into an agreement satisfactory to the
27

1 Commissioner to provide for payment, or until a decision
2 providing otherwise is adopted following a hearing held pursuant
3 to this condition.
4

5
6 DATED: 8-1-06

ELL
ELLIOTT MAC LENNAN, Counsel for
the Department of Real Estate

8 * * *

9 EXECUTION OF THE STIPULATION

10 I have read the Stipulation and discussed it with my
11 counsel. Its terms are understood by me and are agreeable and
12 acceptable to me. I understand that I am waiving rights given to
13 me by the California Administrative Procedure Act (including but
14 not limited to Sections 11506, 11508, 11509 and 11513 of the
15 Government Code), and I willingly, intelligently and voluntarily
16 waive those rights, including the right of requiring the
17 Commissioner to prove the allegations in the Accusation at a
18 hearing at which I would have the right to cross-examine
19 witnesses against me and to present evidence in defense and
20 mitigation of the charges.
21

22 Respondent can signify acceptance and approval of the
23 terms and conditions of this Stipulation by faxing a copy of its
24 signature page, as actually signed by Respondent, to the
25 Department at the following telephone/fax number: Elliott Mac
26 Lennan at (213) 576-6917. Respondent agrees, acknowledges and
27

1 understands that by electronically sending to the Department a
2 fax copy of Respondent's actual signature as it appears on the
3 Stipulation, that receipt of the faxed copy by the Department
4 shall be as binding on Respondent as if the Department had
5 received the original signed Stipulation.

6
7 DATED: 8/8/2006



8 CHRIS DUCKYUN LEE, Respondent

9
10 DATED: 8/8/06



11 PAUL SAMARIN, Esq.
12 Attorney for CHRIS DUCKYUN LEE,
13 Respondent

14 * * *

15 The foregoing Stipulation and Agreement is hereby
16 adopted as my Decision as to Respondent CHRIS DUCKYUN LEE and
17 shall become effective at 12 o'clock noon on
18 MAR 19, 2007.

19 IT IS SO ORDERED 1-30, 2007.

20
21 JEFF DAVI
22 Real Estate Commissioner



1 ELLIOTT MAC LENNAN, SBN 66674
2 Department of Real Estate
3 320 West 4th Street, Ste. 350
4 Los Angeles, California 90013-1105

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DEPARTMENT OF REAL ESTATE

By K. McElchett

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8
9 BEFORE THE DEPARTMENT OF REAL ESTATE

10 STATE OF CALIFORNIA

11 * * *

12 In the Matter of the Accusation of)
13 CIS REALTY INC., and)
14 CHRIS DUCKYUN LEE, individually)
15 and as designated officer of)
16 CIS Realty Inc., and CHRIS S. SIM,)
17 individually and as former)
18 designated officer of CIS Realty,)
19 Respondents,)

No. H-32651 LA

STIPULATION
AND
AGREEMENT

20 It is hereby stipulated by and between Respondent
21 CHRIS S. SIM, (sometimes referred to as "Respondent") and the
22 Complainant, acting by and through Elliott Mac Lennan, Counsel
23 for the Department of Real Estate, as follows for the purpose of
24 settling and disposing of the Accusation ("Accusation") filed on
25 April 4, 2006, in this matter:

26 1. All issues which were to be contested and all
27 evidence which was to be presented by Complainant and Respondent
at a formal hearing on the Accusation, which hearing was to be

1 held in accordance with the provisions of the Administrative
2 Procedure Act ("APA"), shall instead and in place thereof be
3 submitted solely on the basis of the provisions of this
4 Stipulation and Agreement ("Stipulation").

5 2. Respondent has received, read and understands the
6 Statement to Respondent, the Discovery Provisions of the APA and
7 the Accusation filed by the Department of Real Estate in this
8 proceeding.

9 3. Respondent timely filed a Notice of Defense
10 pursuant to Section 11506 of the Government Code for the purpose
11 of requesting a hearing on the allegations in the Accusation.
12 Respondent hereby freely and voluntarily withdraws said Notice of
13 Defense. Respondent acknowledges that he understands that by
14 withdrawing said Notice of Defense he thereby waives his right to
15 require the Commissioner to prove the allegations in the
16 Accusation at a contested hearing held in accordance with the
17 provisions of the APA and that he will waive other rights
18 afforded to him in connection with the hearing such as the right
19 to present evidence in his defense the right to cross-examine
20 witnesses.
21

22 4. This Stipulation is based on the factual
23 allegations contained in the Accusation. In the interest of
24 expedience and economy, Respondent chooses not to contest these
25 allegations, but to remain silent and understands that, as a
26 result thereof, these factual allegations, without being admitted
27

1 or denied, will serve as a prima facie basis for the disciplinary
2 action stipulated to herein. The Real Estate Commissioner shall
3 not be required to provide further evidence to prove said factual
4 allegations.

5 5. This Stipulation and Respondent's decision not to
6 contest the Accusation is made for the purpose of reaching an
7 agreed disposition of this proceeding and is expressly limited to
8 this proceeding and any other proceeding or case in which the
9 Department of Real Estate ("Department"), the state or federal
10 government, or any agency of this state, another state or federal
11 government is involved, and otherwise shall not be admissible in
12 any other criminal or civil proceedings.

13 6. It is understood by the parties that the Real
14 Estate Commissioner may adopt this Stipulation as his Decision in
15 this matter thereby imposing the penalty and sanctions on
16 Respondent's real estate licenses and license rights as set forth
17 in the "Order" herein below. In the event that the Commissioner
18 in his discretion does not adopt the Stipulation, it shall be
19 void and of no effect and Respondent shall retain the right to a
20 hearing and proceeding on the Accusation under the provisions of
21 the APA and shall not be bound by any stipulation or waiver made
22 herein.
23

24 7. The Order or any subsequent Order of the Real
25 Estate Commissioner made pursuant to this Stipulation shall not
26 constitute an estoppel, merger or bar to any further
27

1 administrative or civil proceedings by the Department of Real
2 Estate with respect to any matters which were not specifically
3 alleged to be causes for Accusation in this proceeding but do
4 constitute a bar, estoppel and merger as to any allegations
5 actually contained in the Accusations against Respondent herein.

6 8. Respondent understands that by agreeing to this
7 Stipulation, Respondent agrees to pay, pursuant to Business and
8 Professions Code Section 10148, the cost of audit which led to
9 this disciplinary action. The total amount of said cost is
10 \$3,600.97.

11 9. Respondent has received, read, and understands the
12 "Notice Concerning Costs of Subsequent Audit". Respondent
13 further understands that by agreeing to this Stipulation, the
14 findings set forth below in the Determination of Issues become
15 final, and the Commissioner may charge Respondent for the cost of
16 any subsequent audit conducted pursuant to Business and
17 Professions Code Section 10148 to determine if the violations
18 have been corrected. The maximum cost of the subsequent audit
19 will not exceed \$3,600.97.
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DETERMINATION OF ISSUES

By reason of the foregoing, it is stipulated and agreed that the following determination of issues shall be made:

I.

The conduct of CHRIS S. SIM as described in Paragraph 4, above, is in violation of Business and Professions Code ("Code") Section 10145, 10176(e), 10176(g) and 10240 and Sections 2831, 2831.1, 2832(d), and 2840 of Title 10, Chapter 6 of the California Code of Regulations ("Regulations") and is a basis for the suspension or revocation of Respondent's license and license rights as violations of the Real Estate Law pursuant to Code Sections 10177(d), 10177(g) and 10177(h).

ORDER

WHEREFORE, THE FOLLOWING ORDER is hereby made:

I. All licenses and licensing rights of Respondent CHRIS S. SIM under the Real Estate Law suspended for a period of ninety (90) days from the effective date of this Decision; provided, however, that if Respondent petitions, thirty (30) days of said suspension (or a portion thereof) shall be stayed for two (2) years upon condition that:

A. 1. Respondent pays a monetary penalty pursuant to Section 10175.2 of the Business and Professions Code at the rate of \$50 per day for each day of the suspension for a total monetary penalty of \$1,500.

2. Said payment shall be in the form of a cashier's

1 check or certified check made payable to the Recovery Account of
2 the Real Estate Fund. Said check must be received by the
3 Department prior to the effective date of the Decision in this
4 matter.

5 3. No further cause for disciplinary action against
6 the real estate license of Respondent occurs within two (2) years
7 from the effective date of the Decision in this matter.

8 4. If Respondent fails to pay the monetary penalty in
9 accordance with the terms of the Decision, the Commissioner may,
10 without a hearing, order the immediate execution of all or any
11 part of the stayed suspension, in which event the Respondent
12 shall not be entitled to any repayment nor credit, prorated or
13 otherwise, for money paid to the Department under the terms of
14 this Decision.

15 5. If Respondent pays the monetary penalty and if no
16 further cause for disciplinary action against the real estate
17 license of Respondent occurs within two (2) years from the
18 effective date of the Decision, the stay hereby granted shall
19 become permanent.

20 B.1. The remaining sixty (60) days of the ninety (90)
21 day suspension shall be stayed for two (2) years upon the
22 following terms and conditions:

23 2. Respondent shall obey all laws, rules and
24 regulations governing the rights, duties and responsibilities of
25 a real estate licensee in the State of California; and
26
27

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

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

21 III. Respondent shall within six months from the
22 effective date of the restricted license, take and pass the
23 Professional Responsibility Examination administered by the
24 Department including the payment of the appropriate examination
25 fee. If respondent fails to satisfy this condition, the
26 Commissioner may order suspension of the restricted license until
27

respondent passes the examination.

IV. Pursuant to Section 10148 of the Business and Professions Code, Respondent CHRIS S. SIM, jointly and severally with Chris Duckyun Lee and CIS Realty Inc. shall pay the Commissioner's reasonable cost for (a) the audit which led to this disciplinary action (b) a subsequent audit to determine if Respondent is now in compliance with the Real Estate Law. The cost of the audit which led to this disciplinary action is \$3,600.97. In calculating the amount of the Commissioner's reasonable cost, the Commissioner may use the estimated average hourly salary for all persons performing audits of real estate brokers, and shall include an allocation for travel time to and from the auditor's place of work. Said amount for the prior and subsequent audits shall not exceed \$7,201.94

Respondent shall pay such cost within 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 the license of Respondent pending a hearing held in accordance with Section 11500, et seq., of the Government Code, if payment is not timely made as provided for herein, or as provided for in a subsequent agreement between the Respondent and the Commissioner. The suspension shall remain in effect until payment is made in full or until Respondent enters into an agreement satisfactory to the

1 Commissioner to provide for payment, or until a decision
2 providing otherwise is adopted following a hearing held pursuant
3 to this condition.

4
5
6 DATED: 12-29-06

ELL
ELLIOTT MAC LENNAN, Counsel for
the Department of Real Estate

8 * * *

9 EXECUTION OF THE STIPULATION

10 I have read the Stipulation. Its terms are understood
11 by me and are agreeable and acceptable to me. I understand that
12 I am waiving rights given to me by the California Administrative
13 Procedure Act (including but not limited to Sections 11506,
14 11508, 11509 and 11513 of the Government Code), and I willingly,
15 intelligently and voluntarily waive those rights, including the
16 right of requiring the Commissioner to prove the allegations in
17 the Accusation at a hearing at which I would have the right to
18 cross-examine witnesses against me and to present evidence in
19 defense and mitigation of the charges.
20

21 Respondent can signify acceptance and approval of the
22 terms and conditions of this Stipulation by faxing a copy of its
23 signature page, as actually signed by Respondent, to the
24 Department at the following telephone/fax number: Elliott Mac
25 Lennan at (213) 576-6917. Respondent agrees, acknowledges and
26 understands that by electronically sending to the Department a
27

1 fax copy of Respondent's actual signature as it appears in the
2 Stipulation, that receipt of the faxed copy by the Department
3 shall be as binding on Respondent as if the Department had
4 received the original signed Stipulation.

5
6 DATED: 08/09/06

Chris S. Sim
CHRIS S. SIM, Respondent

7
8
9 * * *

10 The foregoing Stipulation and Agreement is hereby
11 adopted as my Decision as to Respondent CHRIS S. SIM and shall
12 become effective at 12 o'clock noon on _____
13 2007.

14 IT IS SO ORDERED _____, 2006.

15
16
17 JEFF DAVI
18 Real Estate Commissioner
19
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1 fax copy of Respondent's actual signature as it appears on the
2 Stipulation, that receipt of the faxed copy by the Department
3 shall be as binding on Respondent as if the Department had
4 received the original signed Stipulation.

5
6
7 DATED: _____

CHRIS S. SIM, Respondent

8
9 * * *

10 The foregoing Stipulation and Agreement is hereby
11 adopted as my Decision as to Respondent CHRIS S. SIM and shall
12 become effective at 12 o'clock noon on MAR 19
13 2007.

14 IT IS SO ORDERED (. 30, 2007.
15

16
17 JEFF DAVI
18 Real Estate Commissioner

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Janice Wadell

FILED
APR - 4 2006
DEPARTMENT OF REAL ESTATE

ELLIOTT MAC LENNAN, SBN 66674
Department of Real Estate
320 West 4th Street, Ste. 350
Los Angeles, California 90013-1105

Telephone: (213) 576-6911 (direct)
 -or- (213) 576-6982 (office)

By *K. M. Lennan*

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of	)	No. H-32651 LA
CIS REALTY INC., and	)	<u>A C C U S A T I O N</u>
CHRIS DUCKYUN LEE, individually	)	
and as designated officer	)	
of CIS Realty Inc., and	)	
CHRIS S. SIM, individually and	)	
as former designated officer of	)	
CIS Realty Inc.,	)	
Respondents.	)	

The Complainant, Janice Wadell, a Deputy Real Estate
Commissioner of the State of California, for cause of Accusation
against CIS REALTY INC., and CHRIS DUCKYUN LEE, individually and
as designated officer of CIS Realty Inc., and CHRIS S SIM,
individually and as former designated officer of CIS Realty Inc.
is informed and alleges as follows:

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///
///

1. 1

2 The Complainant, Janice Wadell, a Deputy Real Estate
3 Commissioner of the State of California makes this Accusation in
4 her official capacity.

2. 5

6 All references to the "Code" are to the California
7 Business and Professions Code and all references to "Regulations"
8 are to Title 10, Chapter 6, California Code of Regulations.
9

3. 10

11 CIS REALTY INC., (hereinafter "CIS") and CHRIS DUCKYUN
12 LEE, individually and as designated officer of CIS Realty Inc.,
13 (hereinafter "LEE"), CHRIS S SIM (hereinafter "SIM"),
14 individually and as former designated officer of CIS Realty Inc.,
15 (sometimes hereinafter collectively referred to as Respondents)
16 are presently licensed or have license rights under the Real
17 Estate Law (Part 1 of Division 4 of the Business and Professions
18 Code, hereinafter "Code").

19 LICENSE HISTORY

4. 20

21 A. CIS REALTY INC. At all times material herein, CIS
22 was licensed by the Department of Real Estate of the State of
23 California (hereinafter "Department"), by and through LEE and
24 SIM, as the designated officer and former designated officer and
25 brokers responsible, pursuant to Code Section 10159.2 of the
26
27

1 Business and Professions Code for supervising the activities
2 requiring a real estate license conducted on behalf CIS of by
3 CIS's officers, agents and employees. CIS was originally
4 licensed on October 7, 2003.

5 B. CHRIS DUCKYUN LEE. LEE was originally licensed as
6 a real estate broker on April 1, 1992. LEE was the designated
7 officer of CIS from December 31, 2003 until October 7, 2004.

8 C. CHRIS S. SIM. SIM was originally licensed as a
9 real estate salesperson on February 1, 1985 and then as a real
10 estate broker on April 22, 1988. SIM was the designated officer
11 of CIS from October 7, 2003 until December 31, 2003.

12 5.

13 All further references to "Respondents", unless
14 otherwise specified, includes the parties identified in
15 Paragraphs 3 and 4, above, and also includes the officers,
16 directors, managers, employees, agents and/or real estate
17 licensees employed by or associated with said parties, who at all
18 times material herein were engaged in the furtherance of the
19 business or operations of said parties and who were acting within
20 the course and scope of their authority, agency, or employment.

22 6.

23 At all times material herein, Respondent CIS engaged in
24 the business as a real estate broker as follows:

25 A. Code Section 10131(a) of the Code. CIS operated a
26 residential property resale brokerage dba CIS Realty & Investment
27

Co.; and

B. Code Section 10131(d) of the Code. CIS operated a mortgage loan brokerage dba CIS Financial Services.

FIRST CAUSE OF ACTION

(Audit Violations)

7.

On September 20, 2004, the Department completed an audit examination of the books and records of CIS pertaining to its residential resale property and mortgage loan broker activities, requiring a real estate license as described in Paragraph 4. The audit examination covered a period of time beginning January 1, 2003 and ending July 31, 2004. The audit examination revealed violations of the Code and the Regulations as set forth below, and more fully discussed in Audit Report LA 040029 and 040036 and the exhibits and workpapers attached to said audit report.

8.

During the audit period, CIS did not maintain a trust account.

9.

In the course of activities described in Paragraph 6, above, and during the examination period described in Paragraph 7, Respondents CIS, LEE and SIM acted in violation of the Code and the Regulations in that:

1 (a) Failed to maintain an adequate control record in
2 the form of a columnar record in chronological order of all trust
3 funds received, as required by Code Section 10145 and Regulation
4 2831. CIS, LEE and SIM failed to record earnest money deposits
5 received from buyers in the Record of Trust Fund Received Not
6 Placed in the Broker's Trust Account.

7 (b) Failed to maintain a separate record for each
8 beneficiary or transaction, thereby failing to account for all
9 trust funds received, as required by Code Section 10145 and
10 Regulation 2831.1. CIS, LEE and SIM failed to maintain separate
11 records for credit report and appraisal fees from escrow.

12 (c) Failed to perform a monthly reconciliation of the
13 balance of all separate beneficiary or transaction records
14 maintained pursuant to Regulation 2831.1 with the record of all
15 trust funds received, as required by Code Section 10145 and
16 Regulation 2831.2.

17 (d) Mixed and commingled trust funds and personal funds
18 by depositing appraisal and credit report fees received from
19 escrow into CIS' general operating account and issuing checks
20 from said account to the appraisers or credit companies after the
21 escrow checks were deposited, violation of Code Sections 10145
22 and 10176(e).

23 (e) Failed to place trust funds, including earnest
24 money deposits, accepted on behalf of another into the hands of
25 the owner of the funds, a neutral escrow depository or into a
26
27

1 trust fund account in the name of the trustee at a bank or other
2 financial institution not later than three business days
3 following receipt of the funds by the broker or by the broker's
4 salespersons, Jesus/Lourdes Castro, Humberto Ochoa and Virginia
5 Figueroa, as required by Code Section 10145 and Regulation
6 2832(d).

7 (f) Failed to retain a true and correct copy of a
8 Department of Real Estate approved California Mortgage Loan
9 Disclosure Statement signed by the broker for borrowers Guadalupe
10 Vetga, Carlos Reta, and Ramiro Argueta, as required by Code
11 Section 10240(c) and Regulation 2840.

12 (g) Failed to retain a true and correct copy of a
13 Department of Real Estate approved California Mortgage Loan
14 Disclosure Statement signed by the broker for borrowers Manuel
15 /Josefina Martinez, Myoung Shin, and Juliet Hyung for three
16 years, as required by Code Section 10240(a) and Regulation 2840.

17 (h) Failed to disclose yield spread premiums from
18 lenders on the approved Mortgage Loan Disclosure Statement for
19 the borrowers Leticia Estrada Duarte, Raul Pacheco and Alejandro
20 Flores, in violation of Code Section 10176(g), 10240, 10241 and
21 Regulation 2840.

22 (i) Failed to disclose CIS charged credit report fees
23 in excess of the amount billed to the borrowers by the credit
24 reporting company including, but not limited to, the following
25
26
27

1 borrowers: Shin, Hyung and Vega, in violation of Code Section
2 10176(a) and 10176(g).

3 (j) Misrepresented that CIS held earnest money
4 deposits for the sellers Y. H. Cha, Guadalupe Vega, and Rubicel
5 Velasquez, pursuant to the such statements made on the real
6 estate Residential Purchase Agreements and Joint Escrow
7 Instructions and/or Counter Offers, in violation of Code Sections
8 10176(a), 10176(c) and/or 10177(g).

9 10.

10 The conduct, acts and omissions of Respondents
11 CIS, LEE and SIM as described in Paragraph 9, above, violated the
12 Code and the Regulations as set forth below:

13 PARAGRAPH

14 PROVISIONS VIOLATED

15 9(a)

Code Section 10145 and
Regulation 2831

17 9(b)

Code Section 10145 and
Regulation 2831.1

19 9(c)

Code Section 10145 and
Regulation 2831.2

21 9(d)

Code Section 10145 and 10176(e)

23 9(e)

Code Section 10145 and Regulation
2832(d)

25 9(f)

Code Section 10240(c) and
Regulation 2840

1 9(g) Code Section 10240(a) and
2 Regulation 2840
3 9(h) Code Section 10176(g) and
4 10240/10241(b)
5 9(i) Code Sections 10176(a) and 10176(g)
6
7 9(j) Code Section 10176(a)/10176(c)
8 and 10177(g)

9 The foregoing violations constitute cause for the suspension or
10 revocation of the real estate license and license rights of CIS
11 under the provisions of Code Sections 10176(a), 10176(c),
12 10176(e) 10177(d), and/or 10177(g).

13 SECOND CAUSE OF ACTION

14 (Failure to supervise)

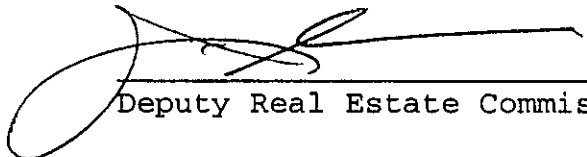
15 11.

16
17 The conduct, acts and/or omissions of LEE and SIM, in
18 causing, allowing, or permitting CIS to violate the Real Estate
19 Law, as described, herein above, constitutes failure on the part
20 of Respondents LEE and SIM, as the officer designated by a
21 corporate broker licensee, to exercise the reasonable supervision
22 and control over the licensed activities of CIS, as required by
23 Code Section 10159.2. Said conduct is cause to suspend or revoke
24 the real estate licenses and license rights of LEE and SIM
25 pursuant to the provisions of Code Sections 10177(d) or 10177(g)
26 and 10177(h).
27

1 WHEREFORE, Complainant prays that a hearing be
2 conducted on the allegations made by the Accusation and, that
3 upon proof thereof, a decision be rendered imposing disciplinary
4 action against all licenses and license rights of Respondent CIS
5 REALTY INC., and CHRIS DUCKYUN LEE, individually and as
6 designated officer of CIS Realty Inc., and CHRIS S. SIM
7 individually and as former designated officer of CIS Realty Inc.,
8 under the Real Estate Law (Part 1 of Division 4 of the Business
9 and Professions Code) and for such other and further relief as
10 may be proper under other applicable provisions of law.

11
12 Dated at Los Angeles, California

13 *25 January 2006*

14
15 
16 Deputy Real Estate Commissioner

17
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19
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21
22
23
24 cc: CIS Realty Inc.
25 c/o Chris Duckyun Lee
26 c/o Chris S. Sim
27 Sacto.
LA Audit Section - Kitlin Chan