

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

3 Telephone: (213) 576-6982

**FILED**

NOV 13 2007

DEPARTMENT OF REAL ESTATE  
BY: *[Signature]*

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \*

11 TO: )  
 )  
12 INLAND EMPIRE REAL ESTATE )  
 )  
13 SOLUTIONS INC. doing business as )  
 )  
14 Legacy Escrow Services and RE/Max )  
 )  
15 Legends; and JODI LEE, )  
 )  
16 Individually and as designated )  
 )  
17 officer of Inland Empire Real )  
 )  
18 Estate Solutions Inc., )  
 )

No. H-34484 LA

ORDER TO DESIST

AND REFRAIN

17 Respondents. )  
 )  
18 )

19 The Real Estate Commissioner of the State of California  
20 (Commissioner) has caused an investigation to be conducted of  
21 your activities, as described herein, and based upon the findings  
22 of that investigation, is of the opinion that:

23 YOU, INLAND EMPIRE REAL ESTATE SOLUTIONS INC. doing  
24 business as Legacy Escrow Services and RE/Max Legends ("INLAND  
25 EMPIRE") and JODI LEE, individually and as designated officer of  
26 Inland Empire Real Estate Solutions Inc. have violated Sections  
27

1 10145 of the Business and Professions Code ("Code") and Sections  
2 2831, 2831.1, 2832.1, 2834, 2835, 2950(d), 2950(g) and 2951 of  
3 Title 10, Chapter 6 of the California Code of Regulations  
4 ("Regulations").

5 AND THAT YOU, JODI LEE, individually and as designated  
6 officer of Inland Empire Real Estate Solutions Inc. have violated  
7 Code Section 10159.2 and Regulation 2725.

8 AND FURTHERMORE THAT YOU, JODI LEE, have violated Code  
9 Sections 10176(e), 10176(i) and 10177(g) by having commingled  
10 and converted \$386,121.95, from INLAND EMPIRE's T/A #1 (Legacy  
11 Escrow Services trust account), as set forth in Paragraph 5,  
12 below, which has a shortage of \$388,849.83, as of October 5,  
13 2007, as set forth in Paragraph 6(a), below.

14 1.

15 A. At all times material herein, INLAND EMPIRE was  
16 licensed by the Department of Real Estate of the State of  
17 California (hereinafter "Department") as a corporate real estate  
18 broker by and through JODI LEE, as the designated officer and  
19 broker responsible, pursuant to Code Section 10159.2 for  
20 supervising the activities requiring a real estate license  
21 conducted on behalf INLAND EMPIRE by its officers, agents and  
22 employees, including JODI LEE.

23 B. At all times material herein, JODI LEE was licensed  
24 by the Department as a real estate broker.  
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1 All further references to "you" include the parties  
2 identified in Paragraph 1 above, and also include the officers,  
3 directors, employees, agents and real estate licensees  
4 employed by or associated with said parties and who at all times  
5 herein mentioned were engaged in the furtherance of the business  
6 or operations of said parties and who were acting within the  
7 course and scope of their authority and employment.  
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9 LICENSED ACTIVITIES AND BROKERAGE

10 3.

11 At all times mentioned, in the City of Alta Loma,  
12 County of San Bernardino, you INLAND EMPIRE and you JODI LEE  
13 acted as real estate brokers and conducted licensed activities  
14 within the meaning of:  
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16 A. Code Section 10131(a). INLAND EMPIRE operated a  
17 residential resale brokerage dba Re/Max Legends.

18 B. INLAND EMPIRE conducted broker-controlled escrows  
19 through its escrow division, Legacy Escrow Services, under the  
20 exemption set forth in California Financial Code Section  
21 17006(a)(4) for real estate brokers performing escrows incidental  
22 to a real estate transaction where the broker is a party and  
23 where the broker is performing acts for which a real estate  
24 license is required.

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1 INLAND EMPIRE REAL ESTATE SOLUTIONS INC.  
2 REAL ESTATE SALES AND BROKER ESCROW AUDIT

3 4.

4 On November 7, 2007, the Department completed an audit  
5 examination of your books and records of INLAND EMPIRE pertaining  
6 to the broker escrow activities described in Paragraph 3, that  
7 require a real estate license. The audit examination covered a  
8 period of time beginning on April 1, 2007 to October 5, 2007.  
9 The audit examination revealed violations of the Code and the  
10 Regulations as set forth below, and more fully discussed in Audit  
11 Report LA 070133 and the exhibits and work papers attached to  
12 said audit report.

13 This audit (LA 070133) follows upon the June 13, 2007,  
14 prior audit examination of INLAND EMPIRE (LA 060294/LA 060296)  
15 that covered the period of time beginning on May 1, 2006 and  
16 ending on March 31, 2007.

17 INLAND EMPIRE REAL ESTATE SOLUTIONS INC.

18 TRUST ACCOUNTS

19 5.

20 At all times mentioned, in connection with your  
21 activities described in Paragraph 3, above, you, INLAND EMPIRE  
22 accepted or received funds including funds in trust (hereinafter  
23 "trust funds") from or on behalf of actual or prospective parties  
24 to transactions handled by INLAND EMPIRE including buyers,  
25 sellers and escrow holders and thereafter made deposits and or  
26  
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1 disbursements of such funds. From time to time herein mentioned  
2 during the audit period, said trust funds were deposited and/or  
3 maintained by INLAND EMPIRE in the trust accounts as follows:

4 "Inland Empire Real Estate Solutions Inc.  
5 Legacy Escrow Services Trust Account  
6 Acct. No 243148618  
7 Citizens Business Bank  
8 Ontario, California ("T/A #1")

9 "Inland Empire Real Estate Solutions Inc.  
10 dba Legacy Escrow Services Trust Account  
11 Acct. No 1802004518  
12 Fullerton Community Bank  
13 Fullerton, California ("T/A #2")

14 INLAND EMPIRE REAL ESTATE SOLUTIONS INC.

15 VIOLATIONS OF THE REAL ESTATE LAW

16 6.

17 With respect to the licensed activities referred to in  
18 Paragraphs 3 and 5, and the audit examination including the  
19 exhibits and work papers referred to in Paragraph 4, you INLAND  
20 EMPIRE and you JODI LEE:

21 (a) Permitted, allowed or caused the disbursement of  
22 trust funds from T/A#1, the Legacy Escrow Services trust account,  
23 where the disbursement of funds reduced the total of aggregate  
24 funds in the trust account, to an amount which, on October 5,  
25 2007, was \$388,849.83, less than the existing aggregate trust  
26 fund liability of INLAND EMPIRE to every principal who was an  
27 owner of said funds, without first obtaining the prior written

1 consent of the owners of said funds, as required by Code Section  
2 10145 and Regulations 2832.1, 2950(d), 2950(g) and 2951.

3 (b) Failed to maintain an accurate and complete control  
4 record in the form of a columnar record in chronological order of  
5 trust funds received, deposited and disbursed for T/A #1, as  
6 required by Code Section 10145 and Regulations 2831, 2950(d) and  
7 2951.

8 (c) Failed to maintain an accurate and complete  
9 separate record for each beneficiary or transaction, thereby  
10 failing to account for all trust funds received, deposited and  
11 disbursed by T/A #1, as required by Code Section 10145 and  
12 Regulations 2831.1, 2950(d) and 2951.

13 (d) Permitted Tiffany Moderow and Pam Eyer, unlicensed  
14 and unbonded persons and employees, to be authorized signatories  
15 on T/A#1, in violation of Code Sections 10145 and 10177(g) and  
16 Regulations 2834 and 2951.

17 (e) Commingled \$386,121.95 in trust funds from T/A#1 by  
18 disbursing said sum into INLAND EMPIRE's general payroll account  
19 and general commission account, thereby commingling trust funds  
20 with INLAND EMPIRE's general funds, in violation of Code Sections  
21 10145 and 10176(e).

22 (f) Converted \$386,121.95 in trust funds from T/A#1 for  
23 JODI LEE's personal, business and operational use in violation of  
24 Code Sections 10145, 10176(i) and/or 10177(g) and Regulation  
25 2835.  
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1 (g) JODI LEE did not exercise adequate supervision over  
2 the activities of INLAND EMPIRE to ensure compliance with the  
3 Real Estate Law and Regulations. JODI LEE had no system in place  
4 for regularly monitoring INLAND EMPIRE's compliance with the Real  
5 Estate Law especially in regard to establishing policies to  
6 review trust fund handling and broker-controlled escrow  
7 activities, for maintaining accurate and complete control and  
8 separate records violation of Code Sections 10159.2, 10177(h) and  
9 Regulation 2725.

10 PRIOR DEPARTMENTAL ACTION

11 On October 24, 2007, in Case No. H-34430 LA, an ORDER  
12 TO DESIST AND REFRAIN was filed against INLAND EMPIRE REAL ESTATE  
13 SOLUTIONS INC. doing business as Legacy Escrow Services and  
14 RE/Max Legends; AMERICAN GENERAL LENDING INC. and JODI LEE, under  
15 Section 10086 of the Code (Engaging in Prohibited Activity, Order  
16 to Desist and Refrain) for violations of:

- 17 1. Code Sections 10145, 10163 and 10176(g) and  
18 Regulations 2715, 2831, 2832.1 2831.1, 2832(d),  
19 2834, 2835, 2950(d), 2950(g), 2950(h) and 2951,  
20 for INLAND EMPIRE REAL ESTATE SOLUTIONS INC. and  
21 JODI LEE;
- 22 2. Code Sections 10145, 10163, 10176(g), 10236.4 and  
23 10240 and Regulations 2715, 2731, 2831, 2831.1,  
24 2832(a) and 2840, for AMERICAN GENERAL LENDING  
25 INC. and JODI LEE; and  
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1 3. Code Sections 10176(e), 10176(i) and 10177(g) for  
2 commingling \$230,504.64, and converting  
3 \$217,619.99, from INLAND EMPIRE REAL ESTATE  
4 SOLUTIONS INC. trust accounts (INLAND EMPIRE REAL  
5 ESTATE SOLUTIONS INC. and JODI LEE).

6 NOW, THEREFORE, YOU, INLAND EMPIRE REAL ESTATE  
7 SOLUTIONS INC. doing business as Legacy Escrow Services and  
8 RE/Max Legends and YOU, JODI LEE, individually and as designated  
9 officer of Inland Empire Real Estate Solutions Inc. ARE ORDERED  
10 TO DESIST AND REFRAIN from performing any and all acts requiring  
11 a real estate license in California unless and until you are in  
12 compliance with Code Section 10145 and Regulations 2831, 2831.1,  
13 2832.1, 2834, 2835, 2950(d), 2950(g) and 2951

14 AND, YOU, JODI LEE, individually and as designated  
15 officer of Inland Empire Real Estate Solutions Inc., ARE ORDERED  
16 TO DESIST AND REFRAIN from performing any and all acts requiring  
17 a real estate license in California unless and until you are in  
18 compliance with Code Section 10159.2 and Regulation 2725.

19 AND, THAT YOU, JODI LEE ARE ORDERED TO DESIST AND  
20 REFRAIN from accepting or receiving, depositing, disbursing,  
21 commingling or converting trust funds by transferring trust funds  
22 from the trust accounts set forth in Paragraph 5, above, to any  
23 person or entity, or permitting, authorizing, directing, any  
24 persons, including any staff or employees of Inland Empire Real  
25 Estate Solutions Inc., to transfer trust funds to any person or  
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1 entity, without the prior written consent of the owners of the  
2 trust funds and in compliance with the Real Estate Law and until  
3 the trust fund deficit of \$388,849.83, in T/A #1 and the  
4 converted amount of \$386,121.95, has been restored.

5 AND FURTHERMORE THAT YOU, JODI LEE, ARE ORDERED TO  
6 DESIST AND REFRAIN from check kiting non-sufficient funds and  
7 depositing non-sufficient funds from any bank or person in T/A #1  
8 or T/A #2.

9  
10 DATED November 8, 2007.

11  
12 JEFF DAVI  
13 Real Estate Commissioner

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25 cc: Inland Empire Real Estate Solutions Inc.  
26 c/o Jodi Lee D.O.  
27 8796 19<sup>th</sup> Street  
Alta Loma, CA 91701