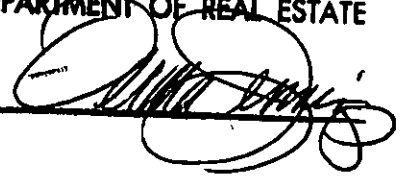


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JUN - 1 2010
DEPARTMENT OF REAL ESTATE

By 

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BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of
DAVID H. CHUNG,
Respondent.

No. H-35934 LA

ORDER DENYING REINSTATEMENT OF LICENSE

On June 23, 2009, a Decision was rendered revoking the real estate broker license of Respondent.

On June 15, 2010, Respondent petitioned for reinstatement of said real estate broker license, and the Attorney General of the State of California has been given notice of the filing of said petition.

I have considered the petition of Respondent and the evidence submitted in support thereof. Respondent has failed to demonstrate to my satisfaction that Respondent has undergone sufficient rehabilitation to warrant the reinstatement of Respondent's real estate broker license at this time.

1 The burden of proving rehabilitation rests with the petitioner (*Feinstein v. State*
2 *Bar* (1952) 39 Cal. 2d 541). A petitioner is required to show greater proof of honesty and
3 integrity than an applicant for first time licensure. The proof must be sufficient to overcome the
4 prior adverse judgment on the applicant's character (*Tardiff v. State Bar* (1980) 27 Cal. 3d 395).

5 The Department has developed criteria in Section 2911 of Title 10, California
6 Code of Regulations (Regulations) to assist in evaluating the rehabilitation of an applicant for
7 reinstatement of a license. Among the criteria relevant in this proceeding are:

8 Regulation 2911(a) - Passage of sufficient time to show rehabilitation

9 Respondent has not shown that Respondent is rehabilitated.

10 Regulation 2911(j) – Discharge of, or bona fide efforts toward discharging,
11 adjudicated debts or monetary obligations

12 Respondent has not provided evidence that he has satisfied, or made bona fide
13 efforts toward satisfying debts and monetary obligations including a civil court judgment.

14 Regulation 2911(k)-Correction of business practices resulting in injury or with the
15 potential to cause injury

16 Respondent denies wrongful business practices which led to the revocation of
17 Respondent's license and blames others.

18 Regulation 2911(n) Change in attitude from that which existed at the time of the
19 conduct in question as evidenced by any or all of the following:

20 (1) Testimony of applicant.

21 Respondent denies involvement in a transaction which led in part to the
22 revocation of his license.

23 Given the violations found and the fact that Respondent has not established that
24 Respondent has complied with Regulations 2911 (a), (j), (k), and (n)(1), I am not satisfied that
25 Respondent is sufficiently rehabilitated to receive a real estate broker license.

26 ///

27 ///

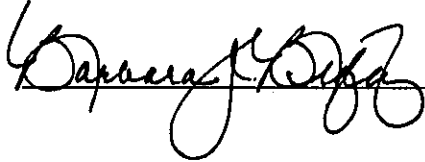
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NOW, THEREFORE, IT IS ORDERED that Respondent's petition for
reinstatement of Respondent's real estate broker license is denied.

This Order shall become effective at 12 o'clock noon on JUN 21 2011

IT IS SO ORDERED 5/19/11

BARBARA J. BIGBY
Acting Real Estate Commissioner



Sainto

FILED

JUN 30 2009

DEPARTMENT OF REAL ESTATE

BY: *A. Sneyd*

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)
)
 ACERAGE FUNDS INC. doing)
 business as Exit Realty)
 Professionals; and DAVID H. CHUNG,)
 individually and as designated)
 officer of Acreage Funds Inc.,)
)
 Respondents.)
)
)
)

No. H-35934 LA

DECISION

This Decision is being issued in accordance with the provisions of Section 11520 of the Government Code, on evidence of compliance with Section 11505 of the Government Code and pursuant to the Order of Default filed on June 10, 2009, and the findings of fact set forth herein are based on one or more of the following: (1) Respondents ACERAGE FUNDS INC.'s and DAVID H. CHUNG express admissions; (2) affidavits; (3) Department Audit Report LA 080092 dated October 15, 2008; and (4) other evidence.

FACTUAL FINDINGS

1.

On May 7, 2009, Robin Trujillo filed the Accusation in her official capacity as a Deputy Real Estate Commissioner of the State of California. The Accusation, Statement to Respondent, and Notice of

Defense were mailed by certified mail on May 7, 2009 and regular mail on May 13, 2009 and May 19, 2009 to Respondents' last known mailing addresses on file with the Department; and

2.

On June 10, 2009, no Notice of Defense having been filed herein within the time prescribed by Section 11506 of the Government Code, Respondents ACERAGE FUNDS INC.'s ("AFI") and DAVID H. CHUNG ("CHUNG") default was entered herein.

3.

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

LICENSE HISTORY

4.

A. At all times mentioned, ACREAGE FUNDS INC. ("AFI") was licensed or had license rights issued by the Department of Real Estate ("Department") as a real estate broker. On February 21, 2006, AFI was originally licensed as a real estate broker.

B. At all times mentioned, DAVID H. CHUNG ("CHUNG") was licensed or had license rights issued by the Department as a real estate broker. On March 20, 1990, CHUNG was originally licensed as a real estate salesperson. On January 26, 2006, CHUNG was originally licensed as a real estate broker. On February 21, 2006, CHUNG was licensed as the designated officer of AFI.

C. At all times material herein, AFI was licensed by the Department as a corporate real estate broker by and through CHUNG, as the designated officer and broker responsible, pursuant to Code Sections 10159.2 and 10211 of the Business and Professions Code for supervising the activities requiring a real estate license conducted on behalf AFI of by AFI's officers, agents and employees, including CHUNG.

BROKERAGE

5.

At all times mentioned, in the City of Phelan, County of San Bernardino, AFI and CHUNG, dba Exit Realty Professionals, acted as real estate brokers and conducted licensed activities within the meaning of:

A. Code Section 10131(a). Respondents engaged in the business of, acted in the capacity of, advertised or assumed to act as real estate brokers, including the solicitation for listings of and the negotiation of the sale of real property as the agent of others.

B. Code Section 10131(d). Respondent's engaged in activities with the public wherein lenders and borrowers were solicited for loans secured directly or collaterally by liens on real property, wherein such loans were arranged, negotiated, processed and consummated on behalf of others for compensation or in expectation of compensation and for fees often collected in advance.

AUDIT EXAMINATION

6.

On October 15, 2008, the Department attempted to complete an audit examination of the books and records of AFI pertaining to the resale and mortgage loan activities described in Finding 5, which require a real estate license. The audit examination covered a period of time beginning on February 21, 2006 to September 30, 2008. The audit examination revealed violations of the Code and the Regulations as set forth in the following paragraphs, and more fully discussed in Audit Report LA 080092 and the exhibits and work papers attached to said audit report.

VIOLATIONS OF THE REAL ESTATE LAW

7.

In the course of activities described in Findings 5 above, Respondents AFI and CHUNG, acted in violation of the Code and the Regulations in that they:

(a) Abandoned AFI's office located at 4037 Phelan Rd. Suite C-1, Phelan, California, without notification to the Department, in violation of Code Section 10162 and Regulation 2715.

(b) Failed to retain all records of AFI's activities requiring a real estate broker license during the past three years including sales and loan transaction files for AFI's real estate clients and further including listings, real estate contracts, canceled checks, escrow and trust records, including but not limited to residential real properties located at 1671 Locust Road, Pinon Hills and 7892 Duncan Road, Phelan, pertaining to buyer Nam Mi Oh, in violation of Code Section 10148.

REAL ESTATE FRAUD

8.

The Department conducted an investigation of the books and records of AFI pertaining to the residential resale and mortgage loan activities described in Finding 5 above that require a real estate license, for the period from February 21, 2006 to September 30, 2008. The investigation revealed violations of the Code and the Regulations as set forth in the following findings.

9.

From March 2006 through February 2008, CHUNG, together with Sang Jun Kim aka Paul Kim (Kim), solicited Nam Mi Oh, a Korean national residing in Korea, to purchase two California real properties. CHUNG represented himself as the licensed proprietor of Exit Realty Professional of Acreage Funds Inc., a bona fide real estate company. CHUNG represented Kim as an agent of Exit Realty Professionals and licensed employee of AFI. At no time was Kim licensed by the Department in any capacity.

10.

Based upon CHUNG's and Kim's representations as to the bottomed-out status of the real estate market and potential for a quick profit, Oh purchased two real properties, located at 1671 Locust Road, Pinon Hills ("Pinon Hills") and 7892 Duncan Road, Phelan ("Duncan Road').

1671 Locust Road, Pinon Hills

11.

Oh purchased the Pinon Hills property for \$420,000, paying \$126,000 for a down payment. CHUNG and Kim, persuaded Oh to have the Pinon Hills property titled in Kim's name, for convenience of management and administration, as Oh resided in Korea.

12.

Unbeknownst to Oh, Kim secured a \$10,000 loan on the Pinon Hills property from a lender named Unimae. On June 15, 2007, Kim reconveyed the Pinon Hills property back to Oh. Additionally, Kim failed to disclose to Oh that he had obtained a \$10,000 loan collateralized by Pinon Hill.

13.

Moreover, CHUNG and Kim, failed to timely inform Oh that the Pinon Hills had been foreclosed in or around November 2007 and that the property was being auctioned for mortgage arrearages.

14.

Due to CHUNG and Kim actions, Oh lost her \$126,000 down payment on Pinon Hills.

7892 Duncan Road, Phelan

15.

During June, CHUNG and Kim also persuaded Oh to purchase a second property, Duncan Road, for \$350,000. Oh agreed and forwarded \$5,000 as an earnest money deposit for Duncan Road.

16.

Upon their recommendation, Oh also forwarded to CHUNG and Kim, \$87,500 for a down payment, \$6,000 for installation of a boundary fence, and \$26,000 as a loan fee.

17.

CHUNG and Kim, failed to pay the escrow closing costs on Oh's behalf. The escrow for the Duncan Road property was cancelled. Oh lost her \$5,000 earnest money deposit, \$87,500 down payment, \$6,000 fence cost and \$26,000 loan fee, totaling \$124,500.

MISREPRESENTATION AND DECEIT

18.

Respondents AFI and CHUNG intentionally engaged in the conduct above set forth in Finding 8 to 17 above.

Alternatively, Respondents AFI and CHUNG engaged in negligent misrepresentation to buyer Nam Mi Oh, in connection with the fraudulent real property purchase scheme for the Pinon Hills and the Duncan Road properties, for which a real estate license is required, in violation of Code Sections 10176(a), 10176(i) and 10177(g).

CORPORATE FRANCHISE TAX BOARD SUSPENSION

19.

On or about October 15, 2005, AFI's corporate status was suspended by the California Franchise Tax Board, yet AFI continued to conduct operations until November 23, 2008, in violations of Code Section 10177(f) and Regulation 2742(c).

NEGLIGENCE

20.

The overall conduct of Respondents AFI and CHUNG in abandoning AFI'S office and failing to retain transaction records constitutes negligence. This conduct and violation are cause for the suspension or revocation of the real estate license and license rights of said Respondents pursuant to Code Section 10177(g).

LACK OF SUPERVISION AND COMPLIANCE

21.

The overall conduct of Respondent CHUNG constitutes a failure on his part, as officer designated by a corporate broker licensee, to exercise the reasonable supervision and control over the licensed activities of AFI as required by Code Section 10159.2, and to keep AFI in compliance with the Real Estate Law, and is cause for the suspension or revocation of the real estate license and license rights of CHUNG pursuant to the provisions of Code Sections 10177(d), 10177(g) and 10177(h).

DETERMINATION OF ISSUES

1.

The conduct of Respondents ACERAGE FUNDS INC.'s and DAVID H. CHUNG, based upon the audit violations as described in Findings 7, herein above, is in violation of Code Sections 10148 and 10162 and Regulation 2715. Cause for disciplinary action exists pursuant to Code Sections 10165, 10177(d) and 10177(g).

2.

The conduct of Respondents ACERAGE FUNDS INC.'s and DAVID H. CHUNG, as described in Finding 8 to 17, herein above, is cause for disciplinary action pursuant to Code Sections 10176(i) and 10177(g).

3.

The conduct of Respondents ACERAGE FUNDS INC.'s and DAVID H. CHUNG, as described in Finding 19, herein above, is in violations of Code Section 10177(f) and Regulation 2742(c). Cause for disciplinary action exists pursuant to Code Sections 10177(d), 10177(f) and 10177(g).

4.

The conduct of Respondents ACERAGE FUNDS INC.'s and DAVID H. CHUNG, as described in Finding 20, herein above, is cause for disciplinary action exists pursuant to Code Section 10177(g).

5.

The conduct of Respondents as described in Finding 21, herein above, is in violation of Code Section 10159.2. Cause for disciplinary action exists pursuant to Code Section 10177(d), 10177(g) and 10177(h).

6.

The standard of proof applied was clear and convincing proof to a reasonable certainty.

ORDER

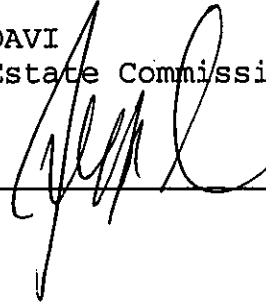
The real estate broker license and license rights of Respondents ACERAGE FUNDS INC.'s and DAVID H. CHUNG, under the provisions of Part I of Division 4 of the Business and Professions Code are revoked.

This Decision shall become effective at 12 o'clock noon on July 20, 2009.

DATED: _____

6-23-09

JEFF DAVI
Real Estate Commissioner



FILED

JUN 10 2009

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)

DEPARTMENT OF REAL ESTATE

BY: *[Signature]*

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)

No. H-35934 LA

12 ACERAGE FUNDS INC. doing)
13 business as Exit Realty)
14 Professionals; and DAVID H. CHUNG,)
15 individually and as designated)
16 officer of Acreage Funds Inc.,)

17 Respondents.)

18 DEFAULT ORDER

19 Respondents ACERAGE FUNDS INC. doing business as Exit
20 Realty Professionals, and DAVID H. CHUNG, individually and as
21 designated officer of Acreage Funds Inc., having failed to file a
22 Notice of Defense within the time required by Section 11506 of
23 the Government Code, are now in default. It is, therefore,
24 ordered that a default be entered on the record in this matter.

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IT IS SO ORDERED

June 10, 2009

JEFF DAVIS
Real Estate Commissioner

Dolores Weeks

By: DOLORES WEEKS
Regional Manager

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

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

FILED

MAY - 7 2009

DEPARTMENT OF REAL ESTATE
BY: *[Signature]*

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)

No. H-35934 LA

12 ACREAGE FUNDS INC. doing business)
as Exit Realty Professionals;)
13 and DAVID H. CHUNG, individually)
and as designated officer of)
14 Acreage Funds Inc.,)

A C C U S A T I O N

15 Respondents.)
16)
17)

18 The Complainant, Robin Trujillo, a Deputy Real Estate
19 Commissioner of the State of California, for cause of Accusation
20 against ACREAGE FUNDS INC. dba Exit Realty Professionals and
21 DAVID H. CHUNG, individually and as designated officer of Acreage
22 Funds Inc., alleges as follows:

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1.

1 The Complainant, Robin Trujillo, acting in her official
2 capacity as a Deputy Real Estate Commissioner of the State of
3 California, makes this Accusation against ACREAGE FUNDS INC. and
4 DAVID H. CHUNG.
5

2.

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

10 LICENSE HISTORY

3.

11 A. At all times mentioned, ACREAGE FUNDS INC. ("AFI")
12 was licensed or had license rights issued by the Department of
13 Real Estate ("Department") as a real estate broker. On February
14 21, 2006, AFI was originally licensed as a real estate broker.
15

16 B. At all times mentioned, DAVID H. CHUNG ("CHUNG")
17 was licensed or had license rights issued by the Department as a
18 real estate broker. On March 20, 1990, CHUNG was originally
19 licensed as a real estate salesperson. On January 26, 2006,
20 CHUNG was originally licensed as a real estate broker. On
21 February 21, 2006, CHUNG was licensed as the designated officer
22 of AFI.
23

24 C. At all times material herein, AFI was licensed by
25 the Department as a corporate real estate broker by and through
26 CHUNG, as the designated officer and broker responsible, pursuant
27 to Code Sections 10159.2 and 10211 of the Business and

1 Professions Code for supervising the activities requiring a real
2 estate license conducted on behalf AFI of by AFI's officers,
3 agents and employees, including CHUNG.

4 BROKERAGE

5 4.

6 At all times mentioned, in the City of Phelan, County
7 of San Bernardino, AFI and CHUNG, dba Exit Realty Professionals.
8 acted as real estate brokers and conducted licensed activities
9 within the meaning of

10 A. Code Section 10131(a). Respondents engaged in the
11 business of, acted in the capacity of, advertised or assumed to
12 act as real estate brokers, including the solicitation for
13 listings of and the negotiation of the sale of real property as
14 the agent of others.

15 B. Code Section 10131(d). Respondent's engaged in
16 activities with the public wherein lenders and borrowers were
17 solicited for loans secured directly or collaterally by liens on
18 real property, wherein such loans were arranged, negotiated,
19 processed and consummated on behalf of others for compensation or
20 in expectation of compensation and for fees often collected in
21 advance.
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FIRST CAUSE OF ACTION
(Forensic Audit)

5.

On October 15, 2008, the Department attempted to complete an audit examination of the books and records of AFI pertaining to the resale and mortgage loan activities described in Paragraph 4, which require a real estate license. The audit examination covered a period of time beginning on February 21, 2006 to September 30, 2008. The audit examination revealed violations of the Code and the Regulations as set forth in the following paragraphs, and more fully discussed in Audit Report LA 080092 and the exhibits and work papers attached to said audit report.

VIOLATIONS OF THE REAL ESTATE LAW

6.

In the course of activities described in Paragraphs 4 and 5, above, Respondents AFI and CHUNG, acted in violation of the Code and the Regulations in that they:

(a) Abandoned AFI's office located at 4037 Phelan Rd. Suite C-1, Phelan, California, without notification to the Department, in violation of Code Section 10162 and Regulation 2715.

(b) Failed to retain all records of AFI's activities requiring a real estate broker license during the past three years including sales and loan transaction files for AFI's real estate clients and further including listings, real estate

1 contracts, canceled checks, escrow and trust records, including
2 but not limited to residential real properties located at 1671
3 Locust Road, Pinon Hills and 7892 Duncan Road, Phelan, pertaining
4 to buyer Nam Mi Oh, in violation of Code Section 10148.

5 7.

6 The conduct of Respondents AFI and CHUNG, described in
7 Paragraph 7, above, violated the Code and the Regulations as set
8 forth below:

9 PARAGRAPH

PROVISIONS VIOLATED

10 6(a)

Code Section 10162 and Regulation
11 2715

12
13 6(b)

Code Section 10148

14
15 The foregoing violations constitute cause for the suspension or
16 revocation of the real estate license and license rights of AFI
17 and CHUNG under the provisions of Code Section 10148, 10165,
18 10177(d) and/or 10177(g).

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2 SECOND CAUSE OF ACTION
3 (Real Estate Fraud)

4 8.

5 The Department conducted an investigation of the books
6 and records of AFI pertaining to the residential resale and
7 mortgage loan activities described in Paragraph 4 and 5, that
8 require a real estate license, for the period from February 21,
9 2006 to September 30, 2008. The investigation revealed
10 violations of the Code and the Regulations as set forth in the
11 following paragraphs.

12 General Allegations

13 9.

14 From March 2006 through February 2008, CHUNG, together
15 with Sang Jun Kim aka Paul Kim (Kim), solicited Nam Mi Oh, a
16 Korean national residing in Korea, to purchase two California
17 real properties. CHUNG represented himself as the licensed
18 proprietor of Exit Realty Professional of Acreage Funds Inc., a
19 bona fide real estate company. CHUNG represented Kim as an agent
20 of Exit Realty Professionals and licensed employee of AFI. At no
21 time was Kim licensed by the Department in any capacity.

22 10.

23 Based upon CHUNG's and Kim's representations as to the
24 bottomed-out status of the real estate market and potential for a
25 quick profit, Oh purchased two real properties, located at 1671
26

1 Locust Road, Pinon Hills (Pinon Hills) and 7892 Duncan Road,
2 Phelan (Duncan Road).

3 1671 Locust Road, Pinon Hills

4 11.

5 Oh purchased the Pinon Hills property for \$420,000,
6 paying \$126,000 for a down payment. CHUNG and Kim, persuaded Oh
7 to have the Pinon Hills property titled in Kim's name, for
8 convenience of management and administration, as Oh resided in
9 Korea.

10 12.

11 Unbeknownst to Oh, Kim secured a \$10,000 loan on the
12 Pinon Hills property from a lender named Unimae. On June 15,
13 2007, Kim reconveyed the Pinon Hills property back to Oh.
14 Additionally, Kim failed to disclose to Oh that he had obtained a
15 \$10,000 loan collateralized by Pinon Hill.

16 13.

17 Moreover, CHUNG and Kim, failed to timely inform Oh
18 that the Pinon Hills had been foreclosed in or around November
19 2007 and that the property was being auctioned for mortgage
20 arrearages.
21

22 14.

23 Due to CHUNG and Kim actions, Oh lost her \$126,000 down
24 payment on Pinon Hills.

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7892 Duncan Road, Phelan

15.

During June, CHUNG and Kim also persuaded Oh to purchase a second property, Duncan Hills, for \$350,000. Oh agreed and forwarded \$5,000 as an earnest money deposit for Duncan Hills.

16.

Upon their recommendation, Oh also forwarded to CHUNG and Kim, \$87,500 for a down payment, \$6,000 for installation of a boundary fence, and \$26,000 as a loan fee.

17.

CHUNG and Kim, failed to pay the escrow closing costs on Oh's behalf. The escrow for the Duncan Road property was cancelled. Oh lost her \$5,000 earnest money deposit, \$87,500 down payment, \$6,000 fence cost and \$26,000 loan fee, totaling \$124,500.

REAL ESTATE FRAUD

(Disciplinary Statues And Regulations)

18.

In the course of activities described in Paragraphs 9 through 17, above, Respondents AFI and CHUNG acted in violation of the Code and the Regulations in that Respondent violated:

A. Code Section 10176(a) for substantial misrepresentation to buyer Nam Mi Oh to induce her to enter into the purchase real estate while scheming to defraud her of the monies spent on the purchase and cost of property improvements.

1 B. Code Section 10176(b) for making false promises of
2 a character likely to influence, persuade or induce Oh to enter
3 into the false scheme to purchase the Pinon Hills and Duncan Road
4 real properties.

5 C. Code Section 10176(i) for conversion of trust
6 funds, to wit, \$126,000 down payment for the Pinon Hills property
7 and \$124,500 down payment and cost of improvements for the Duncan
8 Road property.

9 D. Code Section 10176(i) for fraud and dishonest
10 dealing with respect to the fraudulent real property purchase
11 scheme for the Pinon Hills and Duncan Road properties.

12 E. Code Section 10177(g) for negligence in connection
13 with the fraudulent real property purchase scheme.

14 F. Code Section 10177(d) for willful disregard of the
15 Real Estate Law, in connection with the fraudulent real property
16 purchase scheme.

17
18 THIRD CAUSE OF ACTION
(Misrepresentation by Deceit)

19 19.

20 Respondents AFI and CHUNG intentionally engaged in the
21 conduct above set forth in Paragraphs 9 through 17.

22 Alternatively, Respondents AFI and CHUNG engaged in
23 negligent misrepresentation to buyer Nam Mi Oh, in connection
24 with the fraudulent real property purchase scheme for the Pinon
25 Hills and the Duncan Road properties, for which a real estate
26 license is required, in violation of Code Sections 10176(a),
27

10176(i) and/or 10177(g).

1
2 FOURTH CAUSE OF ACTION
3 (Corporate Franchise Tax Board Suspension)

4 20.

5 On or about October 15, 2005, AFI's corporate status
6 was suspended by the California Franchise Tax Board, yet AFI
7 continued to conduct operations until November 23, 2008, in
8 violations of Code Section 10177(f) and Regulation 2742(c).

9 NEGLIGENCE

10 21.

11 The overall conduct of Respondents AFI and CHUNG in
12 abandoning AFI'S office and failing to retain transaction
13 records, constitutes negligence. This conduct and violation are
14 cause for the suspension or revocation of the real estate license
15 and license rights of said Respondents pursuant to Code Section
16 10177(g).

17 LACK OF SUPERVISION AND COMPLIANCE

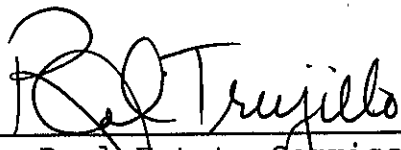
18 22.

19 The overall conduct of Respondent CHUNG constitutes a
20 failure on his part, as officer designated by a corporate broker
21 licensee, to exercise the reasonable supervision and control over
22 the licensed activities of AFI as required by Code Section
23 10159.2, and to keep AFI in compliance with the Real Estate Law,
24 and is cause for the suspension or revocation of the real estate
25 license and license rights of CHUNG pursuant to the provisions of
26 Code Sections 10177(d), 10177(g) and 10177(h).

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

9 Dated at Los Angeles, California

10 this 23 day of April 2009.

11 
12 Deputy Real Estate Commissioner

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25 cc: Acreage Funds Inc.
26 c/o David H. Chung D.O.
27 Robin Trujillo
Sacto