

1 JULIE L. TO, SBN 219482
2 Department of Real Estate
3 320 West 4th Street, Ste. 350
4 Los Angeles, California 90013-1105

5 Telephone: (213) 576-6916 (direct)
6 -or- (213) 576-6982 (office)

FILED

APR 18 2012

DEPARTMENT OF REAL ESTATE

BY: 

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)

) No. H-37508 LA

12 IVY LHEE dba Ivy Realty,)

) FIRST AMENDED

13 Respondent.)

) ACCUSATION

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16 The Accusation filed on September 7, 2011, is amended
17 in its entirety.

18 The Complainant, Robin Trujillo, a Deputy Real Estate
19 Commissioner of the State of California, for cause of Accusation
20 against IVY LHEE, a.k.a. Ivy Lee or Kyoung Shin Lee ("LHEE")
21 alleges as follows:

22 1.

23 The Complainant, Robin Trujillo, acting in her official
24 capacity as a Deputy Real Estate Commissioner of the State of
25 California, makes this Accusation against IVY LHEE.
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1 2.

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

5 License

6 3.

7 At all times mentioned, LHEE was licensed or had
8 license rights issued by the Department of Real Estate
9 ("Department") as a real estate broker. LHEE was originally
10 licensed as a real estate salesperson on January 17, 1986, and as
11 a real estate broker on April 3, 1990.

12 Brokerage

13 4.

14 At all times mentioned, in Los Angeles, California,
15 Respondent engaged in the business of real estate brokers
16 conducting licensed activities within the meaning of:

17 A. Code Section 10131(a). Respondent engaged in the
18 business of, acting in the capacity of, advertising or assuming
19 to act as a real estate broker in the solicitation for listings
20 of and the negotiation of the sale of real property as the agent
21 of others.

22 B. Code Section 10131(b). Respondent engaged in
23 activities relating to leases or rents or offers to lease or
24 rent, or places for rent, or solicits listings of places for
25 rent, or solicits for prospective tenants, or negotiates the
26 sale, purchase or exchanges of leases on real property, or on a
27 business opportunity, or collects rents from real property, or

1 improvements thereon, or from business opportunities.
2 with the public wherein lenders and borrowers were solicited for
3 loans secured directly or collaterally by liens on real property,
4 wherein such loans were arranged, negotiated, processed and
5 consummated on behalf of others for compensation or in
6 expectation of compensation and for fees often collected in
7 advance.

8 FIRST CAUSE OF ACCUSATION

9 Audit of IVY LHEE, dba Ivy Realty -

10 Property Management Activities

11 5.

12 On June 1, 2010, the Department completed an audit
13 examination of the books and records of LHEE pertaining to the
14 property management activities described in Paragraph 4B, above,
15 which require a real estate license. The audit examination
16 covered a period of time beginning on January 1, 2007 to November
17 30, 2009. The audit examination revealed violations of the Code
18 and the Regulations as set forth in the following paragraphs, and
19 more fully discussed in Audit Report LA 090175 and the exhibits
20 and work papers attached to said audit report.

21 Bank and Trust Accounts

22 6.

23 At all times mentioned, in connection with the
24 activities described in Paragraph 4B, above, LHEE accepted or
25 received funds including funds in trust (hereinafter "trust
26 funds") for rents and security deposits from property management-
27 related activities handled by LHEE, from tenants and lessees.

1 Thereafter LHEE made deposits and/or disbursements of such trust
2 funds. From time to time herein mentioned during the audit
3 period, said monies were deposited and/or maintained by LHEE in
4 these accounts:

5 (1) Trust Account ("T/A 1") - Account No. XXXX4067

6 Ivy Realty/ Ivy Lhee, Trustee

7 Signatory: Ivy Lhee (REB)

8 Wilshire State Bank, 841 S. Western Ave., Los Angeles, CA 90005

9 ("T/A 1" - LHEE's trust account opened on 01/03/06 for receipts
10 and disbursements of rents received for the first month in
11 connection with leased property management activity.)

12 T/A 1 - As of 11/30/200

13 Adjusted bank balance 11/30/2009 \$ 100.00

14 Trust Fund Accountability 11/30/2009 \$ < 0.00>

15 Trust Fund Discrepancy 11/30/2009 \$ 100.00

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17 Causes of Trust Fund Discrepancy:

18 Broker's Funds \$ 100.00

19 Trust Fund Discrepancy 11/30/2009 \$ 100.00

20 (2) Bank Account ("B/A 1") - Account No. XXXXX7779

21 DBA Ivy Realty, c/o 1663 Westmoreland Bl., Ivy Lhee

22 Signatory: Ivy Lhee (REB)

23 Hanmi Bank, 3737 W. Olympic Blvd., Los Angeles, CA 90019

24 ("B/A 1" - This account is not designated as a trust account and
25 was opened on 01/31/06 for receipts and disbursements of rents
26 received in connection with property management activity.)

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1 (3) Bank Account ("B/A 2") - Account No. XXXXX8566
2 DBA Ivy Realty, c/o 1132 S. Oxford Ave., #1-#4, Ivy Lhee, Trustee
3 Signatory: (no signature card provided)
4 Hanmi Bank, 3660 Wilshire Blvd., Los Angeles, CA 90010
5 ("B/A 2" - This account is not designated as a trust account and
6 was opened on 01/31/06 for receipts and disbursements of rents
7 received in connection with property management activity.)
8 (4) Bank Account ("B/A 3") - Account No. XXXXX8396
9 DBA Ivy Realty, c/o 417-425 N. Serrano Ave., Ivy Lhee
10 Signatory: Ivy Lhee
11 Hanmi Bank, 3737 W. Olympic Blvd., Los Angeles, CA 90019
12 ("B/A 3" - This account is not designated as a trust account and
13 was opened on 05/16/08 for receipts and disbursements of rents
14 received in connection with property management activity.)
15 (5) Bank Account ("B/A 4") - Account No. XXXXX7973
16 DBA Ivy Realty, c/o Manhattan Pl., Ivy Lhee
17 Signatory: Ivy Lhee
18 Hanmi Bank, 3660 Wilshire Blvd., Los Angeles, CA 90010
19 ("B/A 4" - This account is not designated as a trust account and
20 was opened on 01/31/06 for receipts and disbursements of rents
21 received in connection with property management activity.)

22 7.

23 At all times mentioned, in connection with the
24 activities described in Paragraph 4B, above, LHEE accepted or
25 received funds including funds in trust (hereinafter "trust
26 funds") for rents and security deposits from property management-
27

related activities handled by LHEE, from the tenants and lessees set forth below:

Tenant's Name	Amount	Date Deposited	Date Funds Received	Tenant's Name
Catalina Harb	\$1,290.00	01/06/09	Not Recorded	Not Recorded
Adela A. Zavala	\$ 750.00	08/06/09	Not Recorded	Not Recorded
Catalina Harb	\$1,288.00	01/25/08	Not Recorded	Not Recorded
Michelle Seow	\$ 800.00	05/05/08	Not Recorded	Not Recorded
David Vargas	\$ 720.00	05/01/08	Not Recorded	Not Recorded
Catalina Harb	\$1,288.00	07/09/07	Not Recorded	Not Recorded
Kyung S. Kim	\$5,000.00	09/16/09	Not Recorded	Recorded
S.C. on Education				
of KAPC	\$1,512.00	01/29/09	Recorded	Recorded
Tuan Duc Pham	\$27,000.00	10/17/07	Recorded	Recorded

8.

At all times mentioned, in connection with the activities described in Paragraph 4B, above, LHEE accepted or received funds including funds in trust (hereinafter "trust funds") for rents and security deposits from property management-related activities handled by LHEE, from the tenants and lessees set forth below to be deposited to a trust account within three business days:

Tenant's Name	Amount	Date Funds Received	Date Funds Deposited
Catalina Harb	\$1,290.00	01/01/09	01/06/09
Catalina Harb	\$1,288.00	01/01/08	01/25/08
David Vargas	\$ 720.00	05/01/08	05/05/08
Catalina Harb	\$1,288.00	07/01/07	07/07/07
Francisco Ramirez	\$1,263.00	06/02/09	06/08/09

1 funds were received and the date received, in violation of Code
2 Section 10145 and Regulation 2831.1;

3 (d) Failed to perform a monthly reconciliation of the
4 balance of all separate records of receipts and disbursements of
5 trust funds in connection with the property management activity,
6 in violation of Code Section 10145 and Regulation 2831.2; and

7 (e) Permitted, allowed or caused the mixing and
8 commingling of rents and fees connected with property management
9 activity without first obtaining the prior written consent of the
10 owners of said funds, in violation of Code Section 10145 and
11 Regulation 2832.

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SECOND CAUSE OF ACCUSATION

Audit of IVY LHEE, dba Ivy Realty -
Residential Resale Activities

11.

On April 20, 2010, the Department completed an audit examination of the books and records of LHEE pertaining to the property management activities described in Paragraph 4A, above, which require a real estate license. The audit examination covered a period of time beginning on January 1, 2007 to December 31, 2009. 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 090102 and the exhibits and work papers attached to said audit report.

Bank and Trust Accounts

12.

No trust account was maintained during the audit period for residential resale activities.

Violations

13.

In the course of activities described in Paragraph 4A and 4B, above, and during the examination period described in Paragraph 11, Respondent LHEE acted in violation of the Code and the Regulations in that Respondent:

(a) Failed to maintain a control record in the form of a columnar record in chronological order of all "Trust Funds

Received, Not Placed Broker's Trust Account", in violation of
Code Section 10145 and Regulation 2831;

(b) Failed to disclose on the January 7, 2007 Purchase
Agreements for Joseph S., David Dong-Wook K. and Kyson James L.
LHEE's Department of Real Estate license identification number,
in violation of Code Section 10140.6(b);

(c) Misrepresented that she held earnest money deposits
from buyers David Dong-Wook K. and Jong Min K., in violation of
Code Section 10176(a).

Disciplinary Statutes

14.

The conduct of Respondent LHEE described in Paragraph
13, above, violated the Code and the Regulations as set forth
below:

PARAGRAPH

PROVISIONS VIOLATED

13(a)

Code Section 10145 and Regulation
2831

13(b)

Code Section 10140.6(b)

13(c)

Code Section 10176(a)

The foregoing violations constitute cause for discipline of the
real estate license and license rights of LHEE, as aforesaid,
under the provisions of Code Sections 10176(a) for
misrepresentation and 10177(d) for violation of the Real Estate
Law and/or 10177(g) for negligence.

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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 Respondent IVY
5 LHEE, under the Real Estate Law (Part 1 of vision 4 of the
6 Business and Professions Code), for the cost of investigation and
7 enforcement as permitted by law, and for such other and further
8 relief as may be proper under other applicable provisions of law.

9 Dated at Los Angeles, California

10 this 17 day of April, 2012.

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12 
13 ROBIN TRUJILLO
14 Deputy Real Estate Commissioner
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22 cc: Ivy Lhee
23 dba Ivy Realty
24 Robin Trujillo
25 Sacto
26 Samuel Delgado
27 Audits - Ann Hartoonian