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FILED

SEP 07 2011

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,

) A C C U S A T I O N

13
14 Respondent.

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

20 1.

21 The Complainant, Robin Trujillo, acting in her official
22 capacity as a Deputy Real Estate Commissioner of the State of
23 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 Audit of IVY LHEE, dba Ivy Realty -
9 Property Management Activities

10 5.

11 On June 1, 2010, the Department completed an audit
12 examination of the books and records of LHEE pertaining to the
13 property management activities described in Paragraph 4B, above,
14 which require a real estate license. The audit examination
15 covered a period of time beginning on January 1, 2007 to November
16 30, 2009. The audit examination revealed violations of the Code
17 and the Regulations as set forth in the following paragraphs, and
18 more fully discussed in Audit Report LA 090175 and the exhibits
19 and work papers attached to said audit report. (The Department
20 completed a concurrent audit examination of the books and records
21 of LHEE pertaining to the property sales activities described in
22 Paragraph 4A, above, in Audit Report LA 090102.)

23 Bank and Trust Accounts

24 6.

25 At all times mentioned, in connection with the
26 activities described in Paragraph 4B, above, LHEE accepted or
27 received funds including funds in trust (hereinafter "trust

1 funds") for rents and security deposits from property management-
2 related activities handled by LHEE, from tenants and lessees.
3 Thereafter LHEE made deposits and/or disbursements of such trust
4 funds. From time to time herein mentioned during the audit
5 period, said monies were deposited and/or maintained by LHEE in
6 these accounts:

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

8 Ivy Realty/ Ivy Lhee, Trustee

9 Signatory: Ivy Lhee (REB)

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

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

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

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

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

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

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19 Causes of Trust Fund Discrepancy:

20 Broker's Funds \$ 100.00

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

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1 (2) Bank Account ("B/A 1") - Account No. XXXXX7779
2 DBA Ivy Realty, c/o 1663 Westmoreland Bl., Ivy Lhee
3 Signatory: Ivy Lhee (REB)
4 Hanmi Bank, 3737 W. Olympic Blvd., Los Angeles, CA 90019
5 ("B/A 1" - 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 (3) Bank Account ("B/A 2") - Account No. XXXXX8566
9 DBA Ivy Realty, c/o 1132 S. Oxford Ave., #1-#4, Ivy Lhee, Trustee
10 Signatory: (no signature card provided)
11 Hanmi Bank, 3660 Wilshire Blvd., Los Angeles, CA 90010
12 ("B/A 2" - This account is not designated as a trust account and
13 was opened on 01/31/06 for receipts and disbursements of rents
14 received in connection with property management activity.)
15 (4) Bank Account ("B/A 3") - Account No. XXXXX8396
16 DBA Ivy Realty, c/o 417-425 N. Serrano Ave., Ivy Lhee
17 Signatory: Ivy Lhee
18 Hanmi Bank, 3737 W. Olympic Blvd., Los Angeles, CA 90019
19 ("B/A 3" - This account is not designated as a trust account and
20 was opened on 05/16/08 for receipts and disbursements of rents
21 received in connection with property management activity.)
22 (5) Bank Account ("B/A 4") - Account No. XXXXX7973
23 DBA Ivy Realty, c/o Manhattan Pl., Ivy Lhee
24 Signatory: Ivy Lhee
25 Hanmi Bank, 3660 Wilshire Blvd., Los Angeles, CA 90010
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1 ("B/A 4" - This account is not designated as a trust account and
2 was opened on 01/31/06 for receipts and disbursements of rents
3 received in connection with property management activity.)
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5 7.

6 At all times mentioned, in connection with the
7 activities described in Paragraph 4B, above, LHEE accepted or
8 received funds including funds in trust (hereinafter "trust
9 funds") for rents and security deposits from property management-
10 related activities handled by LHEE, from the tenants and lessees
11 set forth below:

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

23 8.

24 At all times mentioned, in connection with the
25 activities described in Paragraph 4B, above, LHEE accepted or
26 received funds including funds in trust (hereinafter "trust
27 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
Francisco Ramirez	\$1,263.00	10/05/09	12/08/09
Alma D. Garcia	\$ 725.00	07/10/08	07/22/09
Byung Chul & She	\$1,600.00	08/31/09	09/08/09
Jung Hyun Choi	\$1,400.00	09/01/09	09/08/09
Jung Bu Cha	\$1,575.00	09/02/08	09/08/08
Jung Bu Cha	\$1,575.00	12/01/08	12/09/08
Joo Hoon Kim	\$ 482.00	04/30/09	05/05/09
Young Ja Kang	\$ 172.00	06/07/08	06/16/08

Violations

9.

In the course of activities described in Paragraphs 4B, 6, 7 and 8, above, and during the examination period described in Paragraph 5, Respondent LHEE acted in violation of the Code and the Regulations in that Respondent:

(a) Failed to disclose on the January 7, 2007 Residential Lease Agreement for 1059 S. Gramercy Drive, Los Angeles, CA 90019 with tenants Daniel and Lesvia Glaser LHEE's

1 Department of Real Estate license identification number, in
2 violation of Code Section 10140.6 and Regulation 2770.1;

3 (b) Failed to maintain an accurate and complete
4 chronological control record of all receipts and disbursements of
5 trust funds in connection with the property management activity,
6 in violation of Code Section 10145 and Regulation 2831;

7 (c) Failed to maintain accurate and complete separate
8 records of all receipts and disbursements of trust funds in
9 connection with the property management activity in that Ivy
10 Realty's separate records were missing the names from whom trust
11 funds were received and the date received, in violation of Code
12 Section Section 10145 and Regulation 2831.1;

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

17 (e) Permitted, allowed or caused the mixing and
18 commingling of rents and fees connected with property management
19 activity without first obtaining the prior written consent of the
20 owners of said funds, in violation of Code Sections 10145 and
21 10176(e) and Regulation 2832.

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23 Disciplinary Statutes

24 10.

25 The conduct of Respondent LHEE described in Paragraph
26 9, above, violated the Code and the Regulations as set forth
27 below:

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PARAGRAPH

PROVISIONS VIOLATED

9(a)

Code Section 10140.6 and Regulation
2770.1

9(b)

Code Section 10145 and Regulation
2831

9(c)

Code Section 10145 and Regulation
2831.1

9(d)

Code Section 10145 and Regulation
2831.2

9(e)

Code Section 10145 and Regulation
2832

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

Negligence

11.

The overall conduct of Respondent LHEE constitutes

1 negligence. This conduct and violation are cause for the
2 suspension or revocation of the real estate license and license
3 rights of said Respondents pursuant to the provisions of Code
4 Section 10177(g).

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6 Breach of Fiduciary Duty

7 12.

8 The overall conduct of Respondent LHEE constitutes a
9 breach of fiduciary duty. This conduct and violation are cause
10 for the suspension or revocation of the real estate license and
11 license rights of said Respondents pursuant to the provisions of
12 Code Sections 10176(i) and/or 10177(g).

13
14 Failure to Supervise

15 13.

16 The overall conduct of Respondent LHEE constitutes a
17 failure on Respondent's part, to exercise the reasonable
18 supervision and control over the licensed activities of Ivy
19 Realty and is cause for the suspension or revocation of the real
20 estate license and license rights of LHEE pursuant to the
21 provisions of Code Section 10177(h).

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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) and for such other and further
7 relief as may be proper under other applicable provisions of law.

8 Dated at Los Angeles, California

9 this 24 day of August, 2011.

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11 
12 ROBIN TRUJILLO
13 Deputy Real Estate Commissioner
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21 cc: IVY LHEE
22 dba Ivy Realty
23 Robin Trujillo
24 Sacto
25 Samuel Delgado
26 Audits - Ann Hartoonian
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