



1 3.

2 Respondent LYONS is presently licensed and/or has license rights issued by  
3 the Department of Real Estate as a real estate broker (DRE license no. 00625110). LYONS has  
4 been licensed as a real estate broker from on or about April 3, 1983 to April 2, 1995; May 12,  
5 1995 to May 11, 1999; and June 2, 1999 through the present. Respondent LYONS has had the  
6 fictitious business names of "Lyons & Lyons Properties" from on or about June 27, 2007  
7 through the present.

8 4.

9 At all times mentioned, in Los Angeles County, Respondent LYONS engaged  
10 in the business of a real estate broker conducting licensed activities within the meaning of  
11 Code section 10131(b) ("[l]eases or rents or offers to lease or rent, or places for rent, or solicits  
12 listings of places for rent, or solicits for prospective tenants, or negotiates the sale, purchase, or  
13 exchanges of leases on real property, or on a business opportunity, or collects rents from real  
14 property, or improvements thereon, or from business opportunities").

15  
16 FIRST CAUSE OF ACCUSATION

17 (Trust Fund Audit)

18 5.

19 On or about September 30, 2021, the Department of Real Estate completed  
20 an audit examination of the books and records of Respondent LYONS to determine  
21 whether Respondent LYONS handled and accounted for trust funds and conducted its real estate  
22 activities in accordance with the Real Estate Law and Regulations. The audit examination  
23 covered a period of time beginning on December 1, 2019 and ended on November 30, 2020.  
24 The audit examination revealed violations of the Code and the Regulations set forth in the  
25 following paragraphs, and more fully discussed in Audit Report LA200080 and the exhibits and  
26 work papers attached to said audit report.

27

1 Trust Account and Bank Accounts

2 6.

3 At all times mentioned, in connection with the activities described in Paragraph 4,  
4 above, LYONS accepted or received funds including funds in trust (“trust funds”) from or on  
5 behalf of actual or prospective parties, such as owners of real property, involved in property  
6 management services, and thereafter made deposits and/or disbursements of such funds. From  
7 time to time herein mentioned, during the audit period, said trust funds were deposited and/or  
8 maintained by LYONS in the bank account as follows:

9 Charles John Lyons III, Cynthia Lee Lyons Dba Lyons & Lyons Properties Dba Lyons & Lyons  
10 Properties Trust Account (multiple beneficiary trust account)

11 \*\*\*\*\*4596

12 River City Bank (T/A 1)  
13 (Closed August 24, 2021)

14 Fu Lyons Management Inc – ITF Mohammad Hossein (single beneficiary bank account for  
15 Orange Property)

16 \*\*\*\*\*3477

17 Mechanics Bank (B/A 1)  
18 (Closed March 16, 2021)

19 Fu Lyons Management Inc – ITF Mohammad Hossein (single beneficiary bank account for  
20 Orange Property)

21 \*\*\*\*\*6213

22 Mechanics Bank (B/A 2)  
23 (Closed March 16, 2021)

24 Unknown (single beneficiary bank account for Lyons Downey South Gate Ranch LLC for  
25 Firestone Property)

26 \*\*\*\*\*6357

27 River City Bank (B/A 3)

Unknown (single beneficiary bank account for Somerset Business Partners LP for Somerset  
Property)

\*\*\*\*\*1963

River City Bank (B/A 4)

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7.

In the course of activities described in Paragraphs 4 and 6, above, and during the audit examination period in Paragraph 5, above, Respondent LYONS acted in violation of the Code and the Regulations as set forth below:

(a) Failed to designate B/A 1, B/A 2, B/A 3, and B/A 4 as trust accounts, in violation of Code section 10145 and Regulations section 2832.

(b)(1) Failed to maintain an accurate record of all trust funds received and disbursed (control record) in connection with the property management activity for T/A 1, B/A 1, and B/A 2, in violation of Code section 10145 and Regulations section 2831.

(b)(2) Failed to provide disbursement records and/or daily balances as required by Regulations section 2831 for B/A 3 and B/A 4 to allow the Department of Real Estate to examine the control record.

(c) Commingled trust funds and LYON's own funds in T/A 1 as of November 30, 2020, in violation of Code sections 10145 and 10176(e) and Regulations section 2835.

(d) Failed to provide proof of retention of some books, accounts, and records related to property management activities that require a license for B/A 3 and B/A 4, which pertain to property owners Lyons Downey South Gate Ranch LLC and Somerset Business Partners LP, respectively, in violation of Code section 10148.

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1 8.

2 The conduct of Respondent LYONS described in Paragraph 7, above, violated  
3 the Code and the Regulations as set forth below:

4 <u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
5 7(a)	Code section 10145 and Regulations section 2832
6 7(b)	Code section 10145 and Regulations section 2831
7 7(c)	Code sections 10145 and 10176(e) and Regulations section 2835
8 7(d)	Code section 10148

9 The foregoing violations constitute cause for discipline of the real estate license and license  
10 rights of Respondent LYONS under the provisions of Code sections 10176(e), 10177(d), and  
11 10177(g).

12  
13 COSTS

14 9.

15 Code section 10106 provides, in pertinent part, that in any order issued in  
16 resolution of a disciplinary proceeding before the department, the Commissioner may request  
17 the administrative law judge to direct a licensee found to have committed a violation of this part  
18 to pay a sum not to exceed the reasonable costs of investigation and enforcement of the case.

19 Code section 10148(b) provides, in pertinent part, the Commissioner shall charge  
20 a real estate broker for the cost of any audit, if the Commissioner has found in a final decision  
21 following a disciplinary hearing that the broker has violated Code section 10145 or a regulation  
22 or rule of the Commissioner interpreting said section.

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WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against all licenses and/or license rights under the Real Estate Law (Part 1 of Division 4 of the California Business and Professions Code) of Respondent CHARLES JOHN LYONS III, for the cost of investigation and enforcement as permitted by law, audit costs as permitted by law, and for such other and further relief as may be proper under applicable provisions of law.

Dated at Los Angeles, California: January 10, 2022.

*Maria Suarez*  
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Maria Suarez  
Supervising Special Investigator

cc: Charles John Lyons III  
Maria Suarez  
Sacto  
Enforcement  
Audits – Anitha Wijaya