

1 Department of Real Estate  
320 West Fourth Street, #350  
2 Los Angeles, California 90013-1105

3 Telephone: (213) 576-6982  
-or- (213) 576-6914  
4  
5

FILED  
AUG 14 2001  
DEPARTMENT OF REAL ESTATE

By [signature]

8 BEFORE THE DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA  
10

11 \* \* \*

12 In the Matter of the Accusation of )  
NKL, INC., a corporation doing )  
13 business as "Century 21 Center )  
Realty," and FRANKLIN D. LEE, )  
14 individually and as designated )  
officer of NKL, INC., )  
15 )  
16 Respondents. )

NO. H-28939 LA  
L-2001020391

STIPULATION AND AGREEMENT  
AS TO RESPONDENT  
NKL, INC.

17 It is hereby stipulated by and between NKL, INC.,  
18 ("Respondent NKL"), FRANKLIN D. LEE, acting in his capacity as  
19 designated broker officer of Respondent NKL, INC., and the  
20 Complainant, acting by and through Martha J. Rosett, Counsel for  
21 the Department of Real Estate, as follows for the purpose of  
22 settling and disposing of the First Amended Accusation filed on  
23 April 6, 2001, in this matter:

- 24 1. All issues which were to be contested and all  
25 evidence which was to be presented by Complainant and Respondent  
26 NKL at a formal hearing on the First Amended Accusation, which  
27

1 hearing was to be held in accordance with the provisions of the  
2 Administrative Procedure Act (APA), shall instead and in place  
3 thereof be submitted solely on the basis of the provisions of  
4 this Stipulation and Agreement.

5           2. Respondent has received, read and understands the  
6 Statement to Respondent, the Discovery Provisions of the APA and  
7 the First Amended Accusation filed by the Department of Real  
8 Estate in this proceeding.

9           3. On February 7, 2001, Respondent filed a Notice of  
10 Defense pursuant to Section 11506 of the Government Code for the  
11 purpose of requesting a hearing on the allegations in the  
12 Accusation. In order to effectuate this settlement, Respondent  
13 hereby freely and voluntarily withdraws said Notice of Defense.  
14 Respondent acknowledges that he understands that by withdrawing  
15 said Notice of Defense, he will thereby waive his right to  
16 require the Commissioner to prove the allegations in the First  
17 Amended Accusation at a contested hearing held in accordance with  
18 the provisions of the APA and that he will waive other rights  
19 afforded to him in connection with the hearing such as the right  
20 to present evidence in defense of the allegations in the  
21 Accusation and the right to cross-examine witnesses.

22           4. Respondent, pursuant to the limitations set forth  
23 below, although not admitting or denying the truth of the  
24 allegations, will not contest the factual allegations contained  
25 in the First Amended Accusation filed in this proceeding and the  
26 Real Estate Commissioner shall not be required to provide further  
27 evidence of such allegations.

1           5. It is understood by the parties that the Real  
2 Estate Commissioner may adopt the Stipulation and Agreement as  
3 her Decision in this matter, thereby imposing the penalty and  
4 sanctions on Respondent's real estate licenses and license rights  
5 as set forth in the below "Order". In the event that the  
6 Commissioner in her discretion does not adopt the Stipulation and  
7 Agreement, it shall be void and of no effect, and Respondent  
8 shall retain the right to a hearing and proceeding on the First  
9 Amended Accusation under all the provisions of the APA and shall  
10 not be bound by any stipulation or waiver made herein.

11           6. The Order or any subsequent Order of the Real  
12 Estate Commissioner made pursuant to this Stipulation and  
13 Agreement shall not constitute an estoppel, merger or bar to any  
14 further administrative proceedings by the Department of Real  
15 Estate with respect to any matters which were not specifically  
16 alleged to be causes for accusation in this proceeding.

17           7. The Stipulation is entered into by each party with  
18 the express understanding and agreement that it is to be used for  
19 the purposes of settling these proceedings only and that this  
20 stipulation shall not be deemed, used, or accepted as an  
21 acknowledgment or stipulation in any other civil or  
22 administrative proceeding to which this Department is not a  
23 party. Said stipulation is expressly limited to these  
24 proceedings and to any further proceeding initiated by or brought  
25 before the Department of Real Estate, and shall have no  
26 collateral estoppel or res judicata effect in any proceeding  
27 other than a proceeding brought by the Department of Real Estate.

1 DETERMINATION OF ISSUES

2 By reason of the foregoing stipulations and waivers and  
3 solely for the purpose of settlement of the pending First Amended  
4 Accusation without a hearing, it is stipulated and agreed that  
5 the following Determination of Issues shall be made:

6 The conduct, acts and/or omissions of Respondent NKL,  
7 INC., as set forth in the First Amended Accusation, constitute  
8 cause to suspend or revoke the real estate license and license  
9 rights of Respondent NKL under the provisions of Business and  
10 Professions Code ("Code") sections 10177(k), 10165, 10177(g), and  
11 10177(d) for violation of Code Sections 10145 and 10161.8 and  
12 Sections 2835, 2831.2, 2832, and 2752 of Title 10, Chapter 6,  
13 California Code of Regulations ("Regulations.")

14 ORDER

15 WHEREFORE, THE FOLLOWING ORDER is hereby made:

16 All licenses and licensed rights of Respondent NKL,  
17 INC. under the Real Estate Law are revoked; provided, however,  
18 a restricted real estate broker license shall be issued to  
19 Respondent pursuant to Section 10156.5 of the Business and  
20 Professions Code if Respondent:

21 a) makes application therefor and pays to the Department of  
22 Real Estate the appropriate fee for the restricted license  
23 within 90 days from the effective date of this Decision;

24 and

25 b) through its designated officer-broker, submits to the  
26 Department a plan for supervising the activities of the  
27 corporation.

1           The restricted license issued to Respondent shall be  
2 subject to all of the provisions of Section 10156.7 of the  
3 Business and Professions Code and to the following limitations,  
4 conditions and restrictions imposed under authority of Section  
5 10156.6 of that Code:

6           1. The restricted license issued to Respondent may be  
7 suspended prior to hearing by Order of the Real Estate  
8 Commissioner in the event of Respondent's conviction or plea of  
9 nolo contendere to a crime which is substantially related to  
10 Respondent's fitness or capacity as a real estate licensee.

11           2. The restricted license issued to Respondent may be  
12 suspended prior to hearing by Order of the Real Estate  
13 Commissioner on evidence satisfactory to the Commissioner that  
14 Respondent has violated provisions of the California Real Estate  
15 Law, the Subdivided Lands Law, Regulations of the Real Estate  
16 Commissioner or conditions attaching to the restricted license.

17           3. Respondent shall not be eligible to apply for the  
18 issuance of an unrestricted real estate license nor for the  
19 removal of any of the conditions, limitations or restrictions of  
20 a restricted license until two years have elapsed from the  
21 effective date of this Decision.

22           4. Respondent shall submit with any application for  
23 license under any broker designated pursuant to Code Section  
24 10159.2 to be responsible for the supervision of the real estate  
25 activities of Respondent corporation under the real estate laws,  
26 or any application for transfer to a designated officer-broker, a  
27

1 statement signed by the prospective designated officer-broker  
2 shall certify:

3 (a) That the designated officer-broker has read the  
4 Decision of the Commissioner which granted Respondent  
5 NKL the right to a restricted broker license and  
6 Respondent LEE the right to a restricted salesperson  
7 license; and

8 (b) That the designated officer-broker will exercise  
9 close supervision over the performance by the  
10 restricted corporate licensee relating to activities  
11 for which a real estate license is required.

12 5. Respondent agrees that pursuant to this stipulation  
13 and agreement, FRANKLIN D. LEE may not, for the duration of this  
14 restriction, serve as a signatory on any trust account held on  
15 behalf of clients by Respondent corporate broker nor be  
16 responsible for the handling of trust account records, nor be  
17 responsible for the supervision of other salespeople.

18 6. Pursuant to Section 10148 of the Business and  
19 Professions Code, Respondent NKL shall pay the Commissioner's  
20 reasonable cost for: a) the audit which led to this disciplinary  
21 action and, b) a subsequent audit to determine if Respondent has  
22 corrected the trust fund violations found in paragraph I of the  
23 Determination of Issues. In calculating the amount of the  
24 Commissioner's reasonable cost, the Commissioner may use the  
25 estimated average hourly salary for all persons performing audits  
26 of real estate brokers, and shall include an allocation for  
27 travel time to and from the auditor's place of work. Respondent

1 NKL shall pay such cost within 60 days of receiving an invoice  
2 from the Commissioner detailing the activities performed during  
3 the audit and the amount of time spent performing those  
4 activities. The Commissioner may suspend the restricted license  
5 issued to Respondent NKL pending a hearing held in accordance  
6 with Section 11500, et seq., of the Government Code, if payment  
7 is not timely made as provided for herein, or as provided for in  
8 a subsequent agreement between the Respondent NKL and the  
9 Commissioner. The suspension shall remain in effect until  
10 payment is made in full or until Respondent enters into an  
11 agreement satisfactory to the Commissioner to provide for  
12 payment, or until a decision providing otherwise is adopted  
13 following a hearing held pursuant to this condition.

14           7. Respondent understands that by agreeing to this  
15 Stipulation and Agreement, Respondent agrees to pay, pursuant to  
16 Section 10148 of the Business and Professions Code, the cost of  
17 the audit which led to this disciplinary action. The amount of  
18 said costs is \$ 1,771.24.

19           8. Respondent has received, read and understands the  
20 "Notice Concerning Costs of Subsequent Audit". Respondent  
21 further understands that by agreeing to this Stipulation and  
22 Agreement, the findings set forth above in the DETERMINATION OF  
23 ISSUES become final, and that the Commissioner may charge  
24 Respondent for the costs of any subsequent audit conducted  
25 pursuant to Section 10148 of the Business and Professions Code to  
26 determine if the violations have been corrected. The maximum  
27 cost of said audit will not exceed \$1,771.24.

1                   9. Each new designated broker must, with its broker  
2 designation form, submit a plan for supervising the activities of  
3 the corporation.

4 DATED: 6/27/01

*Martha J. Rosett*  
5 MARTHA J. ROSETT  
6 Counsel for Complainant

7 \* \* \*

8                   I have read the Stipulation and Agreement, and its  
9 terms are understood by me and are agreeable and acceptable to  
10 me. I understand that I am waiving rights given to me by the  
11 California Administrative Procedure Act (including but not  
12 limited to Sections 11506, 11508, 11509 and 11513 of the  
13 Government Code), and I willingly, intelligently and voluntarily  
14 waive those rights, including the right of requiring the  
15 Commissioner to prove the allegations in the Accusation at a  
16 hearing at which I would have the right to cross-examine  
17 witnesses against me and to present evidence in defense and  
18 mitigation of the charges.

19                   Respondent can signify acceptance and approval of the  
20 terms and conditions of this Stipulation and Agreement by faxing  
21 a copy of its signature page, as actually signed by Respondent,  
22 to the Department at the following fax number: (213) 576-6917.  
23 Respondent agrees, acknowledges and understands that by  
24 electronically sending to the Department a fax copy of his actual  
25 signature as it appears on the Stipulation and Agreement, that  
26 receipt of the faxed copy by the Department shall be as binding  
27



1 on Respondent as if the Department had received the original  
2 signed Stipulation and Agreement.

3  
4 DATED: 6/27/01

Franklin D Lee  
FRANKLIN D. LEE, designated officer  
on behalf of NKL, INC., Respondent

7 \* \* \*

8 The foregoing Stipulation and Agreement is hereby  
9 adopted as my Decision in this matter and shall become effective  
10 at 12 o'clock noon on September 4, 2001.

11 IT IS SO ORDERED August 7, 2001.

12 PAULA REDDISH ZINNEMANN  
13 Real Estate Commissioner

14 Paula Reddish  
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DEPARTMENT OF REAL ESTATE

By CS

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of )  
12 )  
13 NKL, INC., a corporation doing )  
14 business as "Century 21 Center )  
15 Realty," and FRANKLIN D. LEE, )  
16 individually and as designated )  
officer of NKL, INC., )  
Respondents. )

NO. H-28939 LA  
L-2001020391

STIPULATION AND AGREEMENT  
AS TO RESPONDENT  
FRANKLIN D. LEE

17 It is hereby stipulated by and between FRANKLIN D. LEE  
18 (hereinafter "Respondent"), acting on his own behalf, and the  
19 Complainant, acting by and through Martha J. Rosett, Counsel for  
20 the Department of Real Estate, as follows for the purpose of  
21 settling and disposing of the First Amended Accusation filed on  
22 April 6, 2001, in this matter:

23 1. All issues which were to be contested and all  
24 evidence which was to be presented by Complainant and Respondent  
25 at a formal hearing on the First Amended Accusation, which  
26 hearing was to be held in accordance with the provisions of the  
27

1 Administrative Procedure Act (APA), shall instead and in place  
2 thereof be submitted solely on the basis of the provisions of  
3 this Stipulation and Agreement.

4           2. Respondent has received, read and understands the  
5 Statement to Respondent, the Discovery Provisions of the APA and  
6 the First Amended Accusation filed by the Department of Real  
7 Estate in this proceeding.

8           3. On February 7, 2001, Respondent filed a Notice of  
9 Defense pursuant to Section 11506 of the Government Code for the  
10 purpose of requesting a hearing on the allegations in the  
11 Accusation. In order to effectuate this settlement, Respondent  
12 hereby freely and voluntarily withdraws said Notice of Defense.  
13 Respondent acknowledges that he understands that by withdrawing  
14 said Notice of Defense, he will thereby waive his right to  
15 require the Commissioner to prove the allegations in the First  
16 Amended Accusation at a contested hearing held in accordance with  
17 the provisions of the APA and that he will waive other rights  
18 afforded to him in connection with the hearing such as the right  
19 to present evidence in defense of the allegations in the  
20 Accusation and the right to cross-examine witnesses.

21           4. Respondent, pursuant to the limitations set forth  
22 below, although not admitting or denying the truth of the  
23 allegations, will not contest the factual allegations contained  
24 in the First Amended Accusation filed in this proceeding and the  
25 Real Estate Commissioner shall not be required to provide further  
26 evidence of such allegations.

27

1           5.     It is understood by the parties that the Real  
2 Estate Commissioner may adopt the Stipulation and Agreement as  
3 her Decision in this matter, thereby imposing the penalty and  
4 sanctions on Respondent's real estate licenses and license rights  
5 as set forth in the below "Order". In the event that the  
6 Commissioner in her discretion does not adopt the Stipulation and  
7 Agreement, it shall be void and of no effect, and Respondent  
8 shall retain the right to a hearing and proceeding on the First  
9 Amended Accusation under all the provisions of the APA and shall  
10 not be bound by any stipulation or waiver made herein.

11           6.     The Order or any subsequent Order of the Real  
12 Estate Commissioner made pursuant to this Stipulation and  
13 Agreement shall not constitute an estoppel, merger or bar to any  
14 further administrative proceedings by the Department of Real  
15 Estate with respect to any matters which were not specifically  
16 alleged to be causes for accusation in this proceeding.

17           7.     The Stipulation is entered into by each party with  
18 the express understanding and agreement that it is to be used for  
19 the purposes of settling these proceedings only and that this  
20 stipulation shall not be deemed, used, or accepted as an  
21 acknowledgment or stipulation in any other civil or  
22 administrative proceeding to which this Department is not a  
23 party. Said stipulation is expressly limited to these  
24 proceedings and to any further proceeding initiated by or brought  
25 before the Department of Real Estate, and shall have no  
26 collateral estoppel or res judicata effect in any proceeding  
27 other than a proceeding brought by the Department of Real Estate.

1 DETERMINATION OF ISSUES

2 By reason of the foregoing stipulations and waivers and  
3 solely for the purpose of settlement of the pending First Amended  
4 Accusation without a hearing, it is stipulated and agreed that  
5 the following Determination of Issues shall be made:

6 1.

7 The conduct, acts and/or omissions of Respondent  
8 FRANKLIN D. LEE, as set forth in the First Amended Accusation,  
9 constitute cause to suspend or revoke the real estate license and  
10 license rights of Respondent LEE under the provisions of Business  
11 and Professions Code ("Code") sections 10177(k), 10165, 10177(g),  
12 and 10177(d) for violation of Code Sections 10145 and 10161.8 and  
13 Sections 2835, 2831.2, 2832, and 2752 of Title 10, Chapter 6,  
14 California Code of Regulations ("Regulations.")

15 2.

16 The conduct, acts and/or omissions of Respondent LEE in  
17 causing, allowing, or permitting Respondent NKL, INC. to violate  
18 the Real Estate Law, as described herein above, constitutes  
19 failure on the part of Respondent LEE, as the officer designated  
20 by a corporate broker licensee, to exercise reasonable  
21 supervision and control over the licensed activities of  
22 Respondent NKL, INC. as required by Code Section 10159.2. Said  
23 conduct is cause to suspend or revoke the license and license  
24 rights of Respondent LEE pursuant to the provisions of Code  
25 Section 10177(h).

26 //

27 //

1 ORDER

2 WHEREFORE, THE FOLLOWING ORDER is hereby made:

3 All licenses and licensed rights of Respondent FRANKLIN  
4 D. LEE under the Real Estate Law are revoked; provided, however,  
5 a restricted real estate salesperson license shall be issued to  
6 Respondent pursuant to Section 10156.5 of the Business and  
7 Professions Code if Respondent makes application therefor and  
8 pays to the Department of Real Estate the appropriate fee for the  
9 restricted license within 90 days from the effective date of this  
10 Decision. The restricted license issued to Respondent shall be  
11 subject to all of the provisions of Section 10156.7 of the  
12 Business and Professions Code and to the following limitations,  
13 conditions and restrictions imposed under authority of Section  
14 10156.6 of that Code:

15 1. The restricted license issued to Respondent may be  
16 suspended prior to hearing by Order of the Real Estate  
17 Commissioner in the event of Respondent's conviction or plea of  
18 nolo contendere to a crime which is substantially related to  
19 Respondent's fitness or capacity as a real estate licensee.

20 2. The restricted license issued to Respondent may be  
21 suspended prior to hearing by Order of the Real Estate  
22 Commissioner on evidence satisfactory to the Commissioner that  
23 Respondent has violated provisions of the California Real Estate  
24 Law, the Subdivided Lands Law, Regulations of the Real Estate  
25 Commissioner or conditions attaching to the restricted license.

26 3. Respondent shall not be eligible to apply for the  
27 issuance of an unrestricted real estate license nor for the

1 removal of any of the conditions, limitations or restrictions of  
2 a restricted license until two years have elapsed from the  
3 effective date of this Decision.

4           4. Respondent shall submit with any application for  
5 license under an employing broker, or any application for  
6 transfer to a new employing broker, a statement signed by the  
7 prospective employing real estate broker on a form approved by  
8 the Department of Real Estate which shall certify:

9           (a) That the employing broker has read the  
10           Decision of the Commissioner which granted  
11           the right to a restricted license; and

12           (b) That the employing broker will exercise  
13           close supervision over the performance by  
14           the restricted licensee relating to activities  
15           for which a real estate license is required.

16           5. Respondent shall, within nine months from the  
17 effective date of this Decision, present evidence satisfactory to  
18 the Real Estate Commissioner that Respondent has, since the most  
19 recent issuance of an original or renewal real estate license,  
20 taken and successfully completed the continuing education  
21 requirements of Article 2.5 of Chapter 3 of the Real Estate Law  
22 for renewal of a real estate license. If Respondent fails to  
23 satisfy this condition, the Commissioner may order the suspension  
24 of the restricted license until the Respondent presents such  
25 evidence. The Commissioner shall afford Respondent the  
26 opportunity for a hearing pursuant to the Administrative  
27 Procedure Act to present such evidence.

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1                   6. Respondent shall, within six months from the  
2 effective date of this Decision, take and pass the Professional  
3 Responsibility Examination administered by the Department  
4 including the payment of the appropriate examination fee. If  
5 Respondent fails to satisfy this condition, the Commissioner may  
6 order suspension of Respondent's license until Respondent passes  
7 the examination.

8                   7. Respondent may not be signatory on any trust  
9 account held by a corporate or individual real estate broker, nor  
10 may he be responsible for maintaining trust account records.

11                   8. Respondent may not be responsible for the  
12 supervision of other salesperson in any real estate business in  
13 which he works.

14 DATED: 6/27/01

*Martha J. Rosett*  
MARTHA J. ROSETT  
Counsel for Complainant

\* \* \*

18                   I have read the Stipulation and Agreement, and its  
19 terms are understood by me and are agreeable and acceptable to  
20 me. I understand that I am waiving rights given to me by the  
21 California Administrative Procedure Act (including but not  
22 limited to Sections 11506, 11508, 11509 and 11513 of the  
23 Government Code), and I willingly, intelligently and voluntarily  
24 waive those rights, including the right of requiring the  
25 Commissioner to prove the allegations in the Accusation at a  
26 hearing at which I would have the right to cross-examine

27



1 witnesses against me and to present evidence in defense and  
2 mitigation of the charges.

3 Respondent can signify acceptance and approval of the  
4 terms and conditions of this Stipulation and Agreement by faxing  
5 a copy of its signature page, as actually signed by Respondent,  
6 to the Department at the following fax number: (213) 576-6917.  
7 Respondent agrees, acknowledges and understands that by  
8 electronically sending to the Department a fax copy of his actual  
9 signature as it appears on the Stipulation and Agreement, that  
10 receipt of the faxed copy by the Department shall be as binding  
11 on Respondent as if the Department had received the original  
12 signed Stipulation and Agreement.

13  
14 DATED: 6/27/01

Franklin D. Lee  
FRANKLIN D. LEE  
Respondent

15  
16 \* \* \*

17  
18 The foregoing Stipulation and Agreement is hereby  
19 adopted as my Decision in this matter and shall become effective  
20 at 12 o'clock noon on September 4, 2001.

21 IT IS SO ORDERED. August 7, 2001.

22 PAULA REDDISH ZINNEMANN  
23 Real Estate Commissioner

24 Paula Reddish  
25  
26  
27

SAC

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

In the Matter of the Accusation of )  
 )  
NKL, INC., a corporation, )  
doing business as "Century 21 )  
Center Realty" and FRANKLIN D. LEE, )  
individually and as designated )  
officer of NKL, INC., )

Case No. H-28939 LA

OAH No. L-2001020391

**FILED**  
APR 19 2001  
DEPARTMENT OF REAL ESTATE

Respondent (s)

By CS  
**NOTICE OF CONTINUED HEARING ON ACCUSATION**

To the above-named Respondent (s):

You are hereby notified that a hearing will be held before the Department of Real Estate at the Office of Administrative Hearings, 320 West Fourth Street, Suite 630, Los Angeles, CA 90013-1105 on WEDNESDAY, THURSDAY and FRIDAY, JUNE 27, 28 and 29, 2001, at the hour of 9:00 A.M., or as soon thereafter as the matter can be heard, upon the Accusation served upon you. If you object to the place of hearing, you must notify the presiding administrative law judge of the Office of Administrative Hearings within ten (10) days after this notice is served on you. Failure to notify the presiding administrative law judge within ten days will deprive you of a change in the place of the hearing.

You may be present at the hearing. You have the right to be represented by an attorney at your own expense. You are not entitled to the appointment of an attorney to represent you at public expense. You are entitled to represent yourself without legal counsel. If you are not present in person nor represented by counsel at the hearing, the Department may take disciplinary action against you based upon any express admission or other evidence including affidavits, without any notice to you.

You may present any relevant evidence and will be given full opportunity to cross-examine all witnesses testifying against you. You are entitled to the issuance of subpoenas to compel the attendance of witnesses and the production of books, documents or other things by applying to the Department of Real Estate.

The hearing shall be conducted in the English language. If you want to offer the testimony of any witness who does not proficiently speak the English language, you must provide your own interpreter and pay his or her costs. The interpreter must be certified in accordance with Sections 11435.30 and 11435.55 of the Government Code.

DEPARTMENT OF REAL ESTATE

Dated: April 19, 2001

By Martha J. Rosett  
MARTHA J. ROSETT, Counsel

cc: NKL, Inc.  
Franklin D. Lee  
Eric Goff  
Young Oh  
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MARTHA J. ROSETT, Counsel (SBN #142072)  
Department of Real Estate  
320 West Fourth Street, Suite #350  
Los Angeles, California 90013

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STATE OF CALIFORNIA

\* \* \* \* \*

In the Matter of the Accusation of )	No. H-28939 LA
NKL, INC., a corporation doing )	L-2001020391
business as "Century 21 Center )	<u>FIRST AMENDED</u>
Realty," and FRANKLIN D. LEE, )	<u>ACCUSATION</u>
individually and as designated )	
officer of NKL, INC., )	
Respondents. )	

The Complainant, Thomas McCrady, a Deputy Real Estate Commissioner of the State of California, does hereby amend the Accusation filed on January 25, 2001 against NKL, INC., a corporation doing business as "Century 21 Center Realty," and FRANKLIN D. LEE, individually and as designated officer of NKL, INC., and is informed and alleges as follows:

1.

The Complainant, Thomas McCrady, a Deputy Real Estate Commissioner of the State of California, makes this Accusation in his official capacity.

//

2.

1  
2 At all times material herein, Respondent NKL, INC.  
3 (hereinafter "Respondent NKL") was and now is presently licensed  
4 and/or has license rights under the Real Estate Law, Part 1 of  
5 Division 4 of the California Business and Professions Code  
6 (hereinafter "Code"), as a restricted corporate real estate  
7 broker. Respondent NKL is authorized to act by and through  
8 Respondent FRANKLIN D. LEE as the designated officer and broker  
9 responsible, pursuant to the provisions of Code Section 10159.2,  
10 for the supervision and control of the activities conducted on  
11 behalf of NKL by NKL's officers and employees.

3.

12  
13 At all times material herein, Respondent FRANKLIN D.  
14 LEE (hereinafter "Respondent LEE") was and now is presently  
15 licensed by the Department of Real Estate (hereinafter  
16 "Department") individually as a restricted real estate broker and  
17 as the designated broker-officer of Respondent NKL. As the  
18 designated broker-officer, LEE was and is responsible for the  
19 supervision and control of the activities conducted on behalf of  
20 NKL by NKL's officers and employees as necessary to secure full  
21 compliance with the Real Estate Law pursuant to Code Section  
22 10159.2.

4.

23  
24 All further references to "Respondents," unless  
25 otherwise specified, include the parties identified in Paragraphs  
26 2 and 3 above, and also include the officers, directors,  
27 employees, agents and real estate licensees employed by or



1 associated with said parties, who at all times material herein  
2 were engaged in the furtherance of the business or operations of  
3 said parties and who were acting within the course and scope of  
4 their authority, agency or employment.

5 5.

6 At all times material herein, Respondents engaged in  
7 the business of, acted in the capacity of, advertised or assumed  
8 to act as real estate brokers in the State of California, within  
9 the meaning of Code Sections 10131(a) and (b), for another or  
10 others, for or in expectation of compensation. Said activity  
11 included representation of sellers and buyers of residential  
12 property and the collection of rents and property management on  
13 behalf of the owners of rental properties.

14 6.

15 During the period between October 12, 1999 through  
16 September 29, 2000, in connection with the aforesaid real estate  
17 brokerage activities, Respondents accepted or received funds,  
18 including funds in trust (hereinafter "trust funds") from or on  
19 behalf of actual and prospective tenants and thereafter made  
20 deposits and/or disbursements of such funds. From time to time  
21 herein mentioned, said trust funds were deposited into a trust  
22 account maintained by Respondents in Account No. 21757-31833,  
23 known as the "NKL Inc. Property Management Trust Account"  
24 (hereinafter "Trust Account") at Bank of America located at 12221  
25 E. Artesia Blvd., Cerritos, California.

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7.

PRIOR DISCIPLINE

On May 14, 1999, the Department brought an Accusation against Respondents NKL, INC. and LEE, in case number H-28129 LA. The Accusation stemmed from trust fund violations discovered during two audits of the Respondents' property management and resale business (Audit No. LA 980411 and Audit No. LA 980245). Pursuant to a Stipulation and Agreement and Order of the Commissioner, H-28129 LA, effective October 12, 1999, Respondents' real estate broker licenses were revoked, with rights to restricted broker licenses. On or about October 12, 1999, Respondents each applied for and were issued restricted broker licenses.

Among the terms and conditions of each restricted license was a condition requiring designated broker LEE to submit a Trust Fund Position Statement to the Real Estate Commissioner within thirty days of the last day of each calendar quarter. (The contents of said Trust Fund Position Statement is set forth in Paragraph III of the Order, found on Pages 7 and 8 of the Stipulation and Agreement.)

8.

FIRST CAUSE OF ACCUSATION: AUDIT NO. LA 990272

On or about March 9, 2000, the Department completed a follow-up audit of Respondent NKL's books and records, pertaining to the real estate activities described in Paragraphs 5 and 6



1 above, covering a period from approximately October 12, 1999  
2 through January 31, 2000. The primary purpose of this audit was  
3 to determine Respondents' compliance with the Real Estate Laws  
4 and with the Stipulation in Case No. H-28129 LA. This  
5 examination, Audit No. LA 990272, revealed violations of the Code  
6 and of Title 10, Chapter 6, California Code of Regulations  
7 ("Regulations"), as set forth below.

8 9.

9 In the course of activities described in Paragraphs 5  
10 and 6 above, and during the examination period described in  
11 Paragraph 7, Respondents acted in violation of the Code and the  
12 Regulations in that:

13 a) The Trust Account contained an overage of \$388.51  
14 as of January 31, 2000, in violation of Regulation 2835;

15 b) Respondents failed to maintain a record of the  
16 reconciliation of all separate records with the control records  
17 during the audit period, in violation of Regulation 2831.2;

18 c) Rental receipts received by the broker were held  
19 beyond the next three business days following the receipt of  
20 funds without written authorization, in violation of Code Section  
21 10145 and Regulation 2832;

22 d) Respondents failed to notify the Department of the  
23 termination of six (6) licensees, in violation of Regulation 2752  
24 and Code Section 10161.8; and

25 e) As of the Audit completion date, Respondents had  
26 not provided the Department a Trust Fund Position Statement for  
27 the quarter ending 12/31/99 and Respondents were therefore not in

1 compliance with the Stipulation and Order in H-28129 LA, in  
2 violation of Code Section 10177(k).

3 The foregoing violations constitute cause for the  
4 suspension or revocation of all real estate licenses and license  
5 rights of Respondents NKL, INC. and LEE under the provisions of  
6 Code Sections 10145, 10165, 10177(d), 10177(k), and/or 10177(g).

7 SECOND CAUSE OF ACCUSATION: AUDIT NO. LA 990519

8 10.

9 Complainant incorporates herein by this reference the  
10 Preamble and all of the allegations contained in Paragraphs 1  
11 through 9 above.

12 11.

13 Subsequent to March 9, 2000, and the completion of  
14 Department Audit No. LA 990272, Respondent NKL submitted to the  
15 Department a Trust Fund Position Statement for the quarter ending  
16 December 31, 1999. On October 25, 2000, the Department completed  
17 a review of the Trust Fund Position Statement and related trust  
18 fund records of Respondent NKL for the quarter ending December  
19 31, 1999. This examination, Audit No. LA 990519, revealed  
20 violations of the Code and Regulations as set forth below.

21 12.

22 In the course of activities described in Paragraphs 5  
23 and 6 above, and during the examination period described in  
24 Paragraph 11, Respondents acted in violation of the Code and the  
25 Regulations in that:

26 a) As of the quarter ending December 31, 1999, the  
27 Trust Account contained a shortage of \$1,228.91, in violation of





1 Code Section 10145 and Regulation 2832.1;

2 b) The Trust Fund Position Statement submitted for the  
3 quarter ending December 31, 1999 was not in compliance with the  
4 Stipulation and Agreement and the Order in H-28129 LA;

5 c) The control record maintained by Respondents did  
6 not contain all the required information, including the date  
7 trust funds were received, in violation of Regulation 2831; and

8 d) Respondents failed to maintain a reconciliation  
9 record of the balance of all separate records with the record of  
10 all trust funds received and disbursed, in violation of  
11 Regulation 2831.2.

12 The foregoing violations constitute cause for the  
13 suspension or revocation of all real estate licenses and license  
14 rights of Respondents NKL, INC. and LEE under the provisions of  
15 Code Sections 10145, 10177(d), 10177(k) and/or 10177(g).

16 THIRD CAUSE OF ACCUSATION: AUDIT NO. LA 000002

17 13.

18 Complainant incorporates herein by this reference the  
19 Preamble and all of the allegations contained in Paragraphs 1  
20 through 12 above.

21 14.

22 Subsequent to March 9, 2000, and the completion of  
23 Department Audit No. LA 990272, Respondents submitted to the  
24 Department a Trust Fund Position Statement for the quarter ending  
25 March 31, 2000. On October 25, 2000, the Department completed a  
26 review of the Trust Fund Position Statement and related trust  
27 fund records of Respondent NKL for the quarter ending March 31,

1 2000. This examination, in Audit No. LA 000002, revealed  
2 violations of the Code and Regulations as set forth below.

3 15.

4 In the course of activities described in Paragraphs 5  
5 and 6 above, and during the examination period described in  
6 Paragraph 14, Respondents acted in violation of the Code and the  
7 Regulations in that:

8 a) As of the quarter ending March 31, 2000, the Trust  
9 Account contained a shortage of \$844.08, in violation of Code  
10 Section 10145 and Regulation 2832.1;

11 b) The Trust Fund Position Statement submitted for the  
12 quarter ending March 31, 2000 was not in compliance with the  
13 Stipulation/Order in H-28129 LA;

14 c) The control record maintained by NKL did not  
15 contain all the required information, including the date trust  
16 funds were received, in violation of Regulation 2831;

17 d) Respondents failed to maintain a reconciliation  
18 record of the balance of all separate records with the record of  
19 all trust funds received and disbursed, in violation of  
20 Regulation 2831.2; and

21 e) Respondents did not disburse management fees earned  
22 and placed into the Trust Account in the amount of \$2,765.00  
23 within twenty-five days, in violation of Regulation 2835.

24 The foregoing violations constitute cause for the  
25 suspension or revocation of Respondents' real estate licenses  
26 under the provisions of Code Sections 10145, 10177(d), 10177(k),  
27 and/or 10177(g).

1                                    FOURTH CAUSE OF ACCUSATION: AUDIT NO. LA 000305

2     16.

3                                         Complainant incorporates herein by this reference the  
4 Preamble and all of the allegations contained in Paragraphs 1  
5 through 15 above.

6     17.

7                                         On February 23, 2001, the Department completed a review  
8 of the Trust Fund Position Statement and related trust fund  
9 records of Respondent NKL for the quarter ending September 29,  
10 2000. This examination, in Audit No. LA 000305, revealed  
11 violations of the Code and Regulations as set forth below.

12     18.

13                                         In the course of activities described in Paragraphs 5  
14 and 6 above, and during the examination period described in  
15 Paragraph 17, Respondents acted in violation of the Code and the  
16 Regulations in that:

17                                         a) As of the quarter ending September 29, 2000, the  
18 Trust Account contained a shortage of \$3,132.07, in violation of  
19 Code Section 10145 and Regulation 2832.1;

20                                         b) The Trust Fund Position Statement submitted for the  
21 quarter ending September 29, 2000 was not in compliance with the  
22 Stipulation/Order in H-28129 LA;

23                                         c) Respondents failed to maintain a reconciliation  
24 record of the balance of all separate records with the record of  
25 all trust funds received and disbursed, in violation of  
26 Regulation 2831.2; and

27                                         d) Respondents did not disburse, within twenty-five



1 days, management fees earned and placed into the Trust Account in  
2 violation of Regulation 2835;

3 e) Separate records for each beneficiary or  
4 transaction were not adequately maintained in that records of  
5 disbursements made from the Trust Account did not always indicate  
6 check numbers for the disbursements, in violation of Regulation  
7 2831.1.

8 The foregoing violations constitute cause for the  
9 suspension or revocation of all real estate licenses and license  
10 rights of Respondents NKL, INC. and LEE under the provisions of  
11 Code Sections 10177(d), 10177(k), and/or 10177(g).

12 FIFTH CAUSE OF ACCUSATION

13 (Violation of Code Section 10159.2)

14 19.

15 Complainant incorporates herein by reference the  
16 Preamble and the allegations of Paragraphs 1 through 18,  
17 inclusive.

18 20.

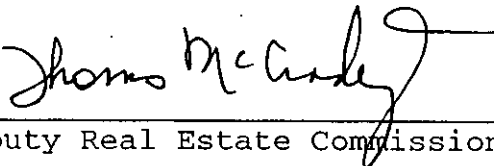
19 The conduct, acts and/or omissions of Respondent LEE in  
20 causing, allowing, or permitting Respondent NKL, INC. to violate  
21 the Real Estate Law, as described herein above, constitute  
22 failure on the part of Respondent LEE, as the officer designated  
23 by a corporate broker licensee, to exercise the reasonable  
24 supervision and control over the licensed activities of  
25 Respondent NKL, INC. as required by Code Section 10159.2. Said  
26 conduct is cause to suspend or revoke the real estate licenses  
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and license rights of Respondent LEE, pursuant to the provisions of Code Sections 10177(d), 10177(g) and/or 10177(h).

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 license rights of Respondents NKL, INC., a corporation doing business as "Century 21 Center Realty," and FRANKLIN D. LEE, individually and as designated officer of NKL, INC. under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code), and for such other and further relief as may be proper under other applicable provisions of law.

Dated at Los Angeles, California  
this 6<sup>th</sup> day of April, 2001.

  
Deputy Real Estate Commissioner

cc: NKL, Inc.  
Franklin D. Lee  
Sacto.  
EC  
Audits  
OAH  
Thomas McCrady

*Sacto*  
*Ray*

BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

FILE  
MAR 1 2001  
DEPARTMENT OF REAL EST.

\* \* \* \*

In the Matter of the Accusation ) Case No. H-28939 LA  
NKL INC. et al., ) OAH No. L-2001020391 Laura B. Orr  
)  
)  
)  
Respondent(s).)

NOTICE OF HEARING ON ACCUSATION

To the above-named Respondent(s):

You are hereby notified that a hearing will be held before the Department of Real Estate at the Office of Administrative Hearings, 320 West Fourth Street, 6th Floor, Suite 630, Los Angeles, California, on APRIL 18 & 19, 2001, at the hour of 9:00 A.M., or as soon thereafter as the matter can be heard, upon the Accusation served upon you. If you object to the place of hearing, you must notify the presiding administrative law judge of the Office of Administrative Hearings within ten (10) days after this notice is served upon you. Failure to notify the presiding administrative law judge within ten days will deprive you of a change in the place of hearing.

You may be present at the hearing. You have the right to be represented by an attorney at your own expense. You are not entitled to the appointment of an attorney to represent you at public expense. You are entitled to represent yourself without legal counsel. If you are not present in person nor represented by counsel at the hearing, the Department may take disciplinary action against you based upon any express admission or other evidence including affidavits, without any notice to you.

You may present any relevant evidence and will be given full opportunity to cross-examine all witnesses testifying against you. You are entitled to the issuance of subpoenas to compel the attendance of witnesses and the production of books, documents or other things by applying to the Department of Real Estate.

The hearing shall be conducted in the English language. If you want to offer the testimony of any witness who does not proficiently speak the English language, you must provide your own interpreter and pay his or her costs. The interpreter must be certified in accordance with Sections 11435.30 and 11435.55 of the Government Code.

Dated: March 1, 2001

DEPARTMENT OF REAL ESTATE

By: MARtha J. ROsett  
MARTHA J. ROSETT, Counsel

cc: NKL Inc.  
Franklin D. Lee  
Sacto.  
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*Sacto Jan*

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MARTHA J. ROSETT, Counsel (SBN #142072)  
Department of Real Estate  
320 West Fourth Street, Suite #350  
Los Angeles, California 90013

(213) 576-6982  
(213) 576-6914

**FILED**  
JAN 25 2001  
DEPARTMENT OF REAL ESTATE

By Laura B. Crane

DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \* \* \*

In the Matter of the Accusation of )	No. H- 28939	LA
NKL, INC. a corporation, doing )		
business as, "Century 21 Center )		
Realty;" and FRANKLIN D. LEE, )		
Individually and as designated )		
officer of NKL, INC., )		
Respondents. )		

The Complainant, Thomas McCrady, a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against NKL, INC., dba, "Century 21 Center Realty," and FRANKLIN D. LEE, individually and as designated officer of NKL, INC., Respondents, is informed and alleges as follows:

1.

The Complainant, Thomas McCrady, a Deputy Real Estate Commissioner of the State of California, makes this Accusation in his official capacity.

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2.

At all times material herein, Respondent NKL, INC., (hereinafter "Respondent NKL,") was and now is presently licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code (hereinafter "Code"), as a restricted corporate real estate broker. Respondent NKL is authorized to act by and through Respondent FRANKLIN D. LEE as the designated officer and broker responsible, pursuant to the provisions of Code Section 10159.2 for the supervision and control of the activities conducted on behalf of NKL by NKL's officers and employees.

3.

At all times material herein, Respondent FRANKLIN D. LEE, (hereinafter "Respondent LEE,") was and now is presently licensed by the Department individually as a restricted real estate broker and as the designated broker-officer of Respondent NKL. As the designated broker-officer, LEE was and is responsible for the supervision and control of the activities conducted on behalf of NKL by NKL's officers and employees as necessary to secure full compliance with the Real Estate Law pursuant to Code Section 10159.

4.

All further references to "Respondents," unless otherwise specified, include the party identified in Paragraphs 2 and 3 above, and also include the officers, directors, employees, agents and real estate licensees employed by or associated with said parties, who at all times material herein were engaged in





1 the furtherance of the business or operations of said parties and  
2 who were acting within the course and scope of their authority,  
3 agency or employment.

4 . 5.

5 At all times material herein, Respondents engaged in  
6 the business of, acted in the capacity of, advertised or assumed  
7 to act as real estate brokers in the State of California, within  
8 the meaning of Code Sections 10131(a) and (b), for another or  
9 others, for or in expectation of compensation. Said activity  
10 included representation of sellers and buyers of residential  
11 property and the collection of rents and property management on  
12 behalf of the owners of rental properties.

13 6.

14 During the period between October 12, 1999 through  
15 March 31, 2000, in connection with the aforesaid real estate  
16 brokerage activities, Respondents accepted or received funds,  
17 including funds in trust (hereinafter "trust funds") from or on  
18 behalf of actual and prospective tenants and thereafter made  
19 deposits and/or disbursements of such funds. From time to time  
20 herein mentioned, said trust funds were deposited into a trust  
21 account maintained by Respondents in Account No. 21757-31833,  
22 known as the "NKL Inc. Property Management Trust Account"  
23 (hereinafter "Trust Account") at Bank of America located at 12221  
24 E. Artesia Blvd., Cerritos, California.

25 7.

26 PRIOR DISCIPLINE

27 On May 14, 1999, the Department brought an Accusation



1 against Respondents NKL, INC. and LEE, in case number H-28129 LA.  
2 The Accusation stemmed from trust fund violations discovered  
3 during two audits of the Respondents' property management and  
4 resale business. (Audit No. LA 980411 and Audit No. LA 980245)  
5 Pursuant to a Stipulation and Agreement and Order of the  
6 Commissioner, effective October 12, 1999, Respondents' real  
7 estate broker licenses were revoked, with rights to restricted  
8 broker licenses. On or about October 12, 1999, Respondents each  
9 applied for and were issued restricted broker licenses.

10 Among the terms and conditions of each restricted  
11 license was a condition requiring designated broker LEE to submit  
12 a Trust Fund Position Statement to the Real Estate Commissioner  
13 within thirty days of the last day of each calendar quarter.  
14 (The contents of said Trust Fund Position Statement is set forth  
15 in Paragraph III of the Order, found on Pages 7 and 8 of the  
16 Stipulation and Agreement.)

17 8.

18 FIRST CAUSE OF ACCUSATION: AUDIT NO. LA 990272

19 On or about March 9, 2000, the Department completed a  
20 follow-up audit of Respondent NKL's books and records, pertaining  
21 to the real estate activities described in Paragraphs 5 and 6  
22 above, covering a period from approximately October 12, 1999  
23 through January 31, 2000. The primary purpose of this audit was  
24 to determine Respondents' compliance with the Real Estate Laws  
25 and with the Stipulation in Case No. H-28129 LA. This  
26 examination, Audit #990272, revealed violations of the Code and  
27 of Title 10, Chapter 6, California Code of Regulations

1 ("Regulations"), as set forth below.

2 9.

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

7 a) The Trust Account contained an overage of \$388.51  
8 as of January 31, 2000, in violation of Regulation 2835;

9 b) Respondents failed to maintain a record of the  
10 reconciliation of all separate records with the control records  
11 during the audit period, in violation of Regulation 2831.2;

12 c) Rental receipts received by the broker were held  
13 beyond the next three business days following the receipt of  
14 funds without written authorization, in violation of Code Section  
15 10145 and Regulation 2832;

16 d) Respondents failed to notify the Department of the  
17 termination of six (6) licensees, in violation of Regulation 2752  
18 and Code Section 10161.8; and

19 e) As of the Audit completion date, Respondents had  
20 not provided the Department a Trust Fund Position Statement for  
21 the quarter ending 12/31/99 and Respondents were therefore not in  
22 compliance with the Stipulation and Order in H-28129LA, in  
23 violation of Code Section 10177(k).

24 The foregoing violations constitute cause for the  
25 suspension or revocation of Respondents' real estate licenses  
26 under the provisions of Code Sections 10165, 10177(d) and  
27 10177(k).



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SECOND CAUSE OF ACCUSATION: AUDIT NO. LA 990519

10.

Complainant incorporates herein by this reference all of the allegations contained in Paragraphs 1 through 9 above.

11.

Subsequent to March 9, 2000, and the completion of DRE Audit No. LA 990272, Respondent NKL submitted to the Department a Trust Fund Position Statement for the quarter ending December 31, 1999. On October 25, 2000, the Department completed a review of the Trust Fund Position Statement and related trust fund records of Respondent NKL for the quarter ending December 31, 1999. This examination, Audit No. LA 990519, revealed violations of the Code and Regulations as set forth below.

12.

In the course of activities described in Paragraphs 5 and 6 above, and during the examination period described in Paragraph 11, Respondents acted in violation of the Code and the Regulations in that:

- a) As of the quarter ending December 31, 1999, the Trust Account contained a shortage of \$1,228.91, in violation of Code Section 10145 and Regulation 2832.1;
- b) The Trust Fund Position Statement submitted for the quarter ending December 31, 1999 was not in compliance with the Stipulation and Agreement and the Order in H-28129 LA;
- c) The control record maintained by Respondents did not contain all the required information, including the date trust funds were received, in violation of Regulation 2831; and

1 d) Respondents failed to maintain a reconciliation  
2 record of the balance of all separate records with the record of  
3 all trust funds received and disbursed, in violation of  
4 Regulation 2831.2.

5 The foregoing violations constitute cause for the  
6 suspension or revocation of Respondents' real estate licenses  
7 under the provisions of Code Sections 10145, 10177(d) and  
8 10177(k).

9 THIRD CAUSE OF ACCUSATION: AUDIT NO. LA 000002

10 13.

11 Complainant incorporates herein by this reference all  
12 of the allegations contained in Paragraphs 1 through 9 above.

13 14.

14 Subsequent to March 9, 2000, and the completion of DRE  
15 Audit No. LA 990272, Respondents submitted to the Department a  
16 Trust Fund Position Statement for the quarter ending March 31,  
17 2000. On October 25, 2000, the Department completed a review of  
18 the Trust Fund Position Statement and related trust fund records  
19 of Respondent NKL for the quarter ending March 31, 2000. This  
20 examination, in Audit No. LA 000002, revealed violations of the  
21 Code and Regulations as set forth below.

22 15.

23 In the course of activities described in Paragraphs 5  
24 and 6 above, and during the examination period described in  
25 Paragraph 14, Respondents acted in violation of the Code and the  
26 Regulations in that:

27 a) As of the quarter ending March 31, 2000, the Trust



1 Account contained a shortage of \$844.08, in violation of Code  
2 Section 10145 and Regulation 2832.1;

3 b) The Trust Fund Position Statement submitted for  
4 the quarter ending March 31, 2000 was not in compliance with the  
5 Stipulation/Order in H-28129 LA;

6 c) The control record maintained by NKL did not  
7 contain all the required information, including the date trust  
8 funds were received, in violation of Regulation 2831;

9 d) Respondents failed to maintain a reconciliation  
10 record of the balance of all separate records with the record of  
11 all trust funds received and disbursed, in violation of  
12 Regulation 2831.2; and

13 e) Respondents did not disburse management fees  
14 earned and placed into the Trust Account in the amount of  
15 \$2,765.00 within twenty-five days, in violation of 2835.

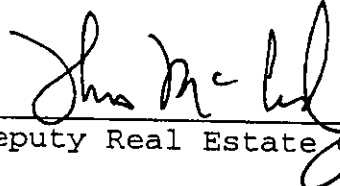
16 The foregoing violations constitute cause for the  
17 suspension or revocation of Respondents' real estate licenses  
18 under the provisions of Code Sections 10145, 10177(d) and  
19 10177(k).

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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 license rights of Respondents NKL, INC. and FRANKLIN D. LEE, under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code), and for such other and further relief as may be proper under other applicable provisions of law.

Dated at Los Angeles, California  
this 25th day of January, 2001.

  
Deputy Real Estate Commissioner

cc: NKL, INC.  
FRANKLIN D. LEE  
Sacto.  
EC  
Audits