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1 Department of Real Estate
2 320 West 4th Street, Ste. 350
3 Los Angeles, California 90013-1105
4 Telephone: (213) 576-6982 (office)

FILED

MAY 21 2009

DEPARTMENT OF REAL ESTATE
BY: *A. Fresh*

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)
12 NEW STAR REALTY INC. doing)
13 business as ERA New Star)
14 Realty & Inv.; JENNY SUNG-WON NAM,)
15 individually and as)
16 designated officer of New Star)
17 Realty Inc.,)
18 Respondents.)

No. H-34072 LA

STIPULATION
AND
AGREEMENT

18 It is hereby stipulated by and between Respondents
19 NEW STAR REALTY INC. dba ERA New Star Realty & Inv. and JENNY
20 SUNG-WON NAM, individually and as designated officer of NEW STAR
21 REALTY INC., (sometimes collectively referred to as
22 "Respondents"), represented by Frank Buda, Esq., and the
23 Complainant, acting by and through Elliott Mac Lennan, Counsel
24 for the Department of Real Estate, as follows for the purpose of
25 settling and disposing of the Second Amended Accusation
26 ("Accusation") filed on May 14, 2008, in this matter:
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1 1. All issues which were to be contested and all
2 evidence which was to be presented by Complainant and Respondents
3 at a formal hearing on the Accusation, which hearing was to be
4 held in accordance with the provisions of the Administrative
5 Procedure Act ("APA"), shall instead and in place thereof be
6 submitted solely on the basis of the provisions of this
7 Stipulation and Agreement ("Stipulation").

8 2. Respondents have received, read and understand the
9 Statement to Respondent, the Discovery Provisions of the APA and
10 the Accusation filed by the Department of Real Estate in this
11 proceeding.

12 3. Respondents timely filed a Notice of Defense
13 pursuant to Section 11506 of the Government Code for the purpose
14 of requesting a hearing on the allegations in the Accusation.
15 Respondents hereby freely and voluntarily withdraw said Notice of
16 Defense. Respondents acknowledge that they understand that by
17 withdrawing said Notice of Defense they thereby waive their right
18 to require the Commissioner to prove the allegations in the
19 Accusation at a contested hearing held in accordance with the
20 provisions of the APA and that they will waive other rights
21 afforded to them in connection with the hearing such as the right
22 to present evidence in their defense and the right to cross-
23 examine witnesses.
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1 4. This Stipulation is based on the factual
2 allegations contained in the Accusation. In the interest of
3 expedience and economy, Respondents choose not to contest these
4 allegations, but to remain silent and understand that, as a
5 result thereof, these factual allegations, without being admitted
6 or denied, will serve as a prima facie basis for the disciplinary
7 action stipulated to herein. The Real Estate Commissioner shall
8 not be required to provide further evidence to prove said factual
9 allegations.

10 5. This Stipulation is made for the purpose of
11 reaching an agreed disposition of this proceeding and is
12 expressly limited to this proceeding and any other proceeding or
13 case in which the Department of Real Estate ("Department"), the
14 state or federal government, or any agency of this state, another
15 state or federal government is involved.

16 6. It is understood by the parties that the Real
17 Estate Commissioner may adopt this Stipulation as his Decision in
18 this matter thereby imposing the penalty and sanctions on
19 Respondents' real estate licenses and license rights as set forth
20 in the "Order" herein below. In the event that the Commissioner
21 in his discretion does not adopt the Stipulation, it shall be
22 void and of no effect and Respondents shall retain the right to a
23 hearing and proceeding on the Accusation under the provisions of
24 the APA and shall not be bound by any stipulation or waiver made
25 herein.
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1 7. The Order or any subsequent Order of the Real
2 Estate Commissioner made pursuant to this Stipulation shall not
3 constitute an estoppel, merger or bar to any further
4 administrative or civil proceedings by the Department of Real
5 Estate with respect to any matters which were not specifically
6 alleged to be causes for Accusation in this proceeding but do
7 constitute a bar, estoppel and merger as to any allegations
8 actually contained in the Accusations against Respondent herein.

9 8. Respondents understand that by agreeing to this
10 Stipulation, Respondents agree to pay, pursuant to Business and
11 Professions Code Section 10148, the cost of the audit. The
12 amount of said cost for the audit is \$19,750.03.

13 9. Respondents have received, read, and understand the
14 "Notice Concerning Costs of Subsequent Audit". Respondents
15 further understand that by agreeing to this Stipulation, the
16 findings set forth below in the Determination of Issues become
17 final, and the Commissioner may charge Respondents for the cost
18 of any subsequent audit conducted pursuant to Business and
19 Professions Code Section 10148 to determine if the violations
20 have been corrected. The maximum cost of the subsequent audit
21 will not exceed \$19,750.03.

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DETERMINATION OF ISSUES

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2 By reason of the foregoing, it is stipulated and agreed
3 that the following determination of issues shall be made:

4 I.

5 The conduct, acts or omissions of NEW STAR REALTY INC.
6 and JENNY SUNG-WON NAM, as described in Paragraph 4, above, are
7 in violation of Sections 10145 of the Business and Professions
8 Code ("Code") and Sections 2753 and 2950(d) of Title 10, Chapter
9 6 of the California Code of Regulations ("Regulations") and is a
10 basis for discipline of Respondents' license and license rights
11 as violation of the Real Estate Law pursuant to Code Sections
12 10177(d).

13 ORDER

14 WHEREFORE, THE FOLLOWING ORDER is hereby made:

15 I.

16 The license and licensing rights of Respondents NEW
17 STAR REALTY INC. and JENNY SUNG-WON NAM, under the Real Estate
18 Law, are suspended for a period of sixty (60) days from the
19 effective date of this Decision:

20
21 A. Provided, however, that if Respondents request, the
22 initial thirty (30) days of said suspension (or a portion
23 thereof) shall be stayed for two (2) years upon condition that:

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1 1. Each Respondent pays a monetary penalty pursuant to
2 Section 10175.2 of the Business and Professions Code at the rate
3 of \$50.00 per day for each day of the suspension for a monetary
4 penalty of \$1,500, or \$3,000 total.

5 2. Said payment shall be in the form of a cashier's
6 check or certified check made payable to the Recovery Account of
7 the Real Estate Fund. Said check must be received by the
8 Department prior to the effective date of the Decision in this
9 matter.

10 3. No further cause for disciplinary action against
11 the real estate license of Respondents occur within two (2) years
12 from the effective date of the Decision in this matter.

13 4. If Respondents fail to pay the monetary penalty in
14 accordance with the terms of the Decision, the Commissioner may,
15 without a hearing, order the immediate execution of all or any
16 part of the stayed suspension, in which event the Respondent
17 shall not be entitled to any repayment nor credit, prorated or
18 otherwise, for money paid to the Department under the terms of
19 this Decision.
20

21 5. If Respondents pay the monetary penalty and if no
22 further cause for disciplinary action against the real estate
23 license of Respondent occurs within two (2) years from the
24 effective date of the Decision, the stay hereby granted shall
25 become permanent.

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1 B. The remaining thirty (30) days of the sixty (60)
2 day suspension shall be stayed for two (2) years upon the
3 following terms and conditions:

4 (a) Respondents shall obey all laws, rules and
5 regulations governing the rights, duties and responsibilities of
6 a real estate licensee in the State of California; and

7 (b) That no final subsequent determination be made
8 after hearing or upon stipulation, that cause for disciplinary
9 action occurred within two (2) years from the effective date of
10 this Decision. Should such a determination be made, the
11 Commissioner may, in his discretion, vacate and set aside the
12 stay order and reimpose all or a portion of the stayed
13 suspension. Should no such determination be made, the stay
14 imposed herein shall become permanent.

15 II.

16 Pursuant to Section 10148 of the Business and
17 Professions Code, Respondents NEW STAR REALTY INC. and JENNY
18 SUNG-WON NAM shall pay the Commissioner's reasonable cost for (a)
19 the audit which led to this disciplinary action (b) a subsequent
20 audit to determine if Respondents are now in compliance with the
21 Real Estate Law. The cost of the audit which led to this
22 disciplinary action is \$19,750.03. In calculating the amount of
23 the Commissioner's reasonable cost, the Commissioner may use the
24 estimated average hourly salary for all persons performing audits
25 of real estate brokers, and shall include an allocation for
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1 travel time to and from the auditor's place of work. Said amount
2 for the prior and subsequent audits shall not exceed \$39,500.06.

3 Respondents shall pay such cost within 60 days of
4 receiving an invoice from the Commissioner detailing the
5 activities performed during the audit and the amount of time
6 spent performing those activities.

7 The Commissioner may suspend the license of Respondents
8 pending a hearing held in accordance with Section 11500, et seq.,
9 of the Government Code, if payment is not timely made as provided
10 for herein, or as provided for in a subsequent agreement between
11 the Respondent and the Commissioner. The suspension shall remain
12 in effect until payment is made in full or until Respondents
13 enter into an agreement satisfactory to the Commissioner to
14 provide for payment, or until a decision providing otherwise is
15 adopted following a hearing held pursuant to this condition.
16

17 III.

18 All licenses and licensing rights of Respondent JENNY
19 SUNG-WON NAM are indefinitely suspended unless or until
20 Respondent provides proof satisfactory to the Commissioner, of
21 having taken and successfully completed the continuing education
22 course on trust fund accounting and handling specified in
23 paragraph (3) of subdivision (a) of Section 10170.5 of the
24 Business and Professions Code. Proof of satisfaction of this
25 requirement includes evidence that Respondent has successfully
26 completed the trust fund account and handling continuing
27

1 education course by the effective date of the Decision or within
2 120 days prior to the effective date of the Decision.

3 IV.

4 Respondent JENNY SUNG-WON NAM shall, within nine (9)
5 months from the effective date of this Decision, present evidence
6 satisfactory to the Real Estate Commissioner that Respondent has,
7 since the most recent issuance of an original or renewal real
8 estate license, taken and successfully completed the continuing
9 education requirements of Article 2.5 of Chapter 3 of the Real
10 Estate Law for renewal of a real estate license. If Respondent
11 fails to satisfy this condition, the Commissioner may order the
12 suspension of Respondent's license until Respondent presents such
13 evidence. The Commissioner shall afford Respondent the
14 opportunity for a hearing pursuant to the Administrative
15 Procedure Act to present such evidence.

16
17
18 DATED: 3-12-09

18 ELIOTT MAC LENNAN
19 ELLIOTT MAC LENNAN, Counsel for
20 the Department of Real Estate

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* * *

EXECUTION OF THE STIPULATION

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3 We have read the Stipulation and discussed it with our
4 counsel. Its terms are understood by us and are agreeable and
5 acceptable to us. We understand that we are waiving rights given
6 to us by the California Administrative Procedure Act (including
7 but not limited to Sections 11506, 11508, 11509 and 11513 of the
8 Government Code), and we willingly, intelligently and voluntarily
9 waive those rights, including the right of requiring the
10 Commissioner to prove the allegations in the Accusation at a
11 hearing at which we would have the right to cross-examine
12 witnesses against us and to present evidence in defense and
13 mitigation of the charges.

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MAILING AND FACSIMILE

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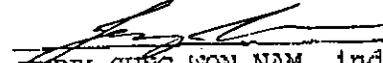
Respondents (1) shall mail the original signed signature page of the stipulation herein to Elliott Mac Lennan: Attention: Legal Section, Department of Real Estate, 320 W. Fourth St., Suite 350, Los Angeles, California 90013-1105. Respondents shall also (2) facsimile a copy of signed signature page, to the Department at the following telephone/fax number: (213) 576-6917, Attention: Elliott Mac Lennan.

A facsimile constitutes acceptance and approval of the terms and conditions of this stipulation. Respondents agree, acknowledge and understand that by electronically sending to the Department a facsimile copy of Respondents' actual signature as it appears on the stipulation that receipt of the facsimile copy by the Department shall be as binding on Respondents as if the Department had received the original signed stipulation.

DATED: March 21, 2009.


NEW STAR REALTY INC., a corporate real estate broker,
BY: JENNY SUNG-WON NAM D.O.,
Respondent

DATED: March 21, 2009.


JENNY SUNG-WON NAM, individually and as designated officer of New Star Realty Inc., Respondent

DATED: March 30, 2009

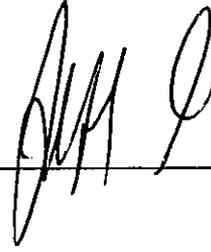

FRANK BUDA, ESQ.
Attorney for Respondents
Approved as to form and content

* * *

1 The foregoing Stipulation and Agreement is hereby
2
3 adopted as my Decision as to Respondents NEW STAR REALTY INC. and
4 JENNY SUNG-WON NAM, individually and as designated officer of New
5 Star Realty Inc. and shall become effective at 12 o'clock noon on
6 June 19, 2009.

7 IT IS SO ORDERED 5/15, 2009.

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9 JEFF DAVI
10 Real Estate Commissioner

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Sastv

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)

FILED

MAY 14 2008

DEPARTMENT OF REAL ESTATE
BY: *Agnes Y*

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)
12 NEW STAR REALTY INC. doing)
13 business as ERA New Star Realty)
14 & Inv.; and JENNY SUNG-WON NAM,)
15 individually and as)
16 designated officer of)
17 New Star Realty Inc.,)
18 Respondents.)

No. H-34072 LA
SECOND AMENDED
ACCUSATION

17 The First Amended Accusation filed on October 9, 2007,
18 is amended in its entirety as follows:

19 The Complainant, Robin Trujillo, a Deputy Real Estate
20 Commissioner of the State of California, for cause of Accusation
21 against NEW STAR REALTY INC. dba ERA New Star Realty & Inv.; and
22 JENNY SUNG-WON NAM, individually and as designated officer of New
23 Star Realty Inc. alleges as follows:
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25 1.

26 The Complainant, Robin Trujillo, acting in her official
27 capacity as a Deputy Real Estate Commissioner of the State of

1 California, makes this Accusation against NEW STAR REALTY INC.
2 and JENNY SUNG-WON NAM:

3 2.

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

7 LICENSE HISTORY

8 3.

9 A. At all times mentioned NEW STAR REALTY INC. ("NEW
10 STAR") was licensed or had license rights issued by the
11 Department of Real Estate ("Department") as a real estate broker.
12 On December 4, 1990, NEW STAR was originally licensed as a real
13 estate broker.

14 B. On October 29, 2004, in Case No. H-31432 LA, an
15 Accusation was filed against Respondent NEW STAR and JENNY SUNG-
16 WON NAM that resulted in discipline as set forth below in
17 Paragraph 11.

18 C. At all times mentioned, JENNY SUNG-WON NAM ("NAM")
19 was licensed or had license rights issued by the Department as a
20 real estate broker. On November 7, 1988, NAM was originally
21 licensed as a real estate salesperson. On August 14, 1999, NAM
22 was originally licensed as a real estate broker. NAM has been
23 the designated officer of NEW STAR since its original licensure.
24

25 D. At all times material herein, NEW STAR was licensed
26 by the Department as a corporate real estate broker by and
27

1 through NAM, as the designated officer and broker responsible,
2 pursuant to Code Section 10159.2 of the Business and Professions
3 Code for supervising the activities requiring a real estate
4 license conducted on behalf NEW STAR of by NEW STAR's officers,
5 agents and employees, including NAM.

6 LICENSED ACTIVITIES AND BROKERAGE

7 4.

8 At all times mentioned, in the City of Garden Grove,
9 County of Los Angeles, NEW STAR acted as a real estate broker and
10 conducted licensed activities within the meaning of:

11 A. Code Section 10131(a). NEW STAR operated a
12 residential resale brokerage dba ERA New Star Realty & Inv.; and

13 B. In addition, NEW STAR conducted broker-controlled
14 escrows through its escrow divisions, under the exemption set
15 forth in California Financial Code Section 17006(a)(4) for real
16 estate brokers performing escrows incidental to a real estate
17 transaction where the broker is a party and where the broker is
18 performing acts for which a real estate license is required.
19

20 FIRST CAUSE OR ACTION

21 BROKER ESCROW AUDIT OF NEW STAR REALTY INC.

22 5.

23 On July 28, 2006, the Department completed an audit
24 examination of the books and records of NEW STAR pertaining to
25 the broker-escrow activities described in Paragraph 4, which
26 require a real estate license. The audit examination covered a
27

1 period of time beginning on September 8, 2005 to April 28, 2006.
2 The audit examination revealed violations of the Code and the
3 Regulations as set forth in the following paragraphs, and more
4 fully set forth in Audit Report LA 050322 (broker escrow) and the
5 exhibits and workpapers attached thereto.

6 TRUST ACCOUNT

7 6.

8 At all times mentioned, in connection with the activities
9 described in Paragraph 4, above, NEW STAR accepted or received
10 funds including funds in trust (hereinafter "trust funds") from
11 or on behalf of actual or prospective parties to transactions
12 including buyers, sellers, lenders and escrowholders handled by
13 NEW STAR. Thereafter NEW STAR made deposits and or disbursements
14 of such funds. From time to time herein mentioned during the
15 audit period, said trust funds were deposited and/or maintained
16 by NEW STAR in the bank accounts as follows:
17

18 "New Star Realty Inc. New Star Escrow Trust Account
19 1875124"
20 Wilshire State Bank
Los Angeles, California ("T/A#1")

21 "New Star Realty Inc. New Star Escrow Trust Account
22 1867318"
23 Wilshire State Bank
Los Angeles, California ("T/A#2")

24
25 "New Star Realty Inc. New Star Escrow Trust Account
26 1872311"
27 Wilshire State Bank
Los Angeles, California ("T/A#3")

1 (d) Failed to maintain the office, place of books,
2 records, accounts, safes, files and papers related to such escrow
3 freely accessible and available for audit, inspection and
4 examination by the Commissioner of the Department of Real Estate,
5 as required by Code Section 10148 and Regulation 2950(e).

6 (e) had no system in place for regularly monitoring his
7 compliance with the Real Estate Law especially in regard to
8 establishing policies to review trust fund handling, in violation
9 of Code Section 10177(h) and Regulation 2725.

10 8.

11 The conduct of Respondents NEW STAR and NAM, described
12 in Paragraph 7, above, violated the Code and the Regulations as
13 set forth below:

<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
14 7(a)	15 Code Section 10145 and Regulations 16 2832.1, 2950(d), 2950(g) and 2951 17
18 7(b)	19 Code Section 10145 and Regulations 20 2831.2, 2050(d) and 2951 21
22 7(c)	23 Code Section 10145 and Regulation 24 2834
25 7(d)	26 Code Section 10148 and Regulation 27 2950(e)

1
2 7(e) Code Section 10159.5, 10177(h) and
3 Regulation 2725

4 The foregoing violations constitute cause for the suspension or
5 revocation of the real estate license and license rights of NEW
6 STAR and NAM under the provisions of Code Sections 10177(d)
7 and/or 10177(g) and 10177(h).

8 SECOND CAUSE OF ACTION

9 RESIDENTIAL RESALE AUDIT OF NEW STAR REALTY INC.

10 9.

11 On May 25, 2006, the Department completed an audit
12 examination of the books and records of NEW STAR pertaining to
13 the residential resale activities described in Paragraph 4,
14 above, that require a real estate license. The audit examination
15 covered a period of time beginning on September 8, 2005 to April
16 30, 2006. The audit examination revealed violations of the Code
17 and the Regulations as set forth in the following paragraphs, and
18 more fully set forth in Audit Report LA 050211 (broker escrow)
19 and the exhibits and workpapers attached thereto.

21 TRUST ACCOUNT

22 10.

23 NEW STAR did not maintain a trust account for residential
24 resale activity during the audit period.

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RESIDENTIAL RESALE AUDIT OF NEW STAR REALTY INC.

VIOLATIONS OF THE REAL ESTATE LAW

11.

In the course of activities described in Paragraph 4, above, and during the examination period described in Paragraph 9, Respondents NEW STAR and NAM, acted in violation of the Code and the Regulations in that they:

(a) Failed to place trust funds, including earnest money deposits, accepted on behalf of another into the hands of the owner of the funds, a neutral escrow depository or into a trust fund account in the name of the trustee at a bank or other financial institution not later than three business days following receipt of the funds by the broker or by the broker's salesperson, as required by Code Section 10145 and Regulation 2832(d).

(b) Failed to retain the salesperson license certificate for Charles Moon, as required by Code Section 10160 and Regulation 2753.

(c) Failed to maintain a signed broker salesperson agreement with real estate licensee Charles Moon, as required by Section 2726 of the Regulations.

(d) NAM failed to display her designated officer license at the main office of the corporation, as required by Code Section 10162.

1 (e) NAM had no system in place for regularly monitoring
2 their compliance with the Real Estate Law especially in regard to
3 establishing policies to review trust fund handling for earnest
4 money deposits, in violation of Code Sections 10159.2, 10177(h)
5 and Regulation 2725.

6 12.

7 The conduct of Respondents NEW STAR and NAM, described
8 in Paragraph 11, above, violated the Code and the Regulations as
9 set forth below:

10	<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
11	11(a)	Code Section 10145 and Regulation
12		2832(d)
13		
14	11(b)	Code Section 10160 and Regulation
15		2753
16		
17	11(c)	Regulation 2726
18		
19	11(d)	Code Section 10162
20		
21		
22	11(e)	Code Section 10159.2, 10177(h) and
23		Regulation 2725
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1 The foregoing violations constitutes cause for the suspension or
2 revocation of the real estate license and license rights of NEW
3 STAR and NAM under the provisions of Code Sections 10177(d)
4 and/or 10177(g) and 10177(h).

5 THIRD CAUSE OF ACTION

6 BROKER ESCROW AUDIT OF NEW STAR REALTY INC.

7 13.

8 On March 27, 2007, the Department completed an audit
9 examination of the books and records of NEW STAR pertaining to
10 the broker escrow activities described in Paragraph 4, above,
11 that require a real estate license. The audit examination
12 covered a period of time beginning on February 01, 2006 to August
13 31, 2007. The audit examination revealed violations of the Code
14 and the Regulations as set forth in the following paragraphs, and
15 more fully set forth in Audit Report LA 070095 (broker escrow)
16 and the exhibits and workpapers attached thereto.
17

18 TRUST ACCOUNTS

19 14.

20 At all times mentioned, in connection with the activities
21 described in Paragraph 4, above, NEW STAR accepted or received
22 funds including funds in trust (hereinafter "trust funds") from
23 or on behalf of actual or prospective parties to transactions
24 including buyers, sellers, property owners and tenants handled by
25 NEW STAR and thereafter made deposits and or disbursements of
26 such funds. From time to time herein mentioned during the audit
27

1 period, said trust funds were deposited and/or maintained by NEW
2 STAR in the Wilshire State Bank, bank accounts as follows:

3 "New Star Realty Inc. (Garden Grove Escrow Division)
4 New Star Escrow Trust Account
5 001887297" (T/A #1")
6 Wilshire State Bank
7 Los Angeles, CA 90010

8 "New Star Realty Inc. (Cerritos Escrow Division)
9 New Star Escrow Trust Account
10 1-872311" (T/A #2")
11 Wilshire State Bank
12 Los Angeles, CA 90010

13 "New Star Realty Inc. (Los Angeles Escrow Division)
14 New Star Escrow Trust Account
15 1-867318" (T/A #3")
16 Wilshire State Bank
17 Los Angeles, CA 90010

18 "New Star Realty Inc. (Pomona Escrow Division)
19 New Star Escrow Trust Account
20 1-875124" (T/A #4")
21 Wilshire State Bank
22 Los Angeles, CA 90010

23 "New Star Realty Inc. dba ERA New Star Realty & Inc. Trust
24 Account
25 4431588" (T/A #5")
26 Hanmi Bank
27 Garden Grove, CA 92844

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BROKER ESCROW AUDIT OF NEW STAR REALTY INC.

VIOLATIONS OF THE REAL ESTATE LAW

15.

In the course of activities described in Paragraphs 4 and 14, above, and during the examination period described in Paragraph 13, Respondents NEW STAR and NAM, acted in violation of the Code and the Regulations in that they:

(a) (1) Permitted, allowed or caused the disbursement of trust funds from the escrow trust accounts where the disbursement of funds reduced the total of aggregate funds in the escrow trust accounts set forth below, to an amount which, on August 31, 2007, was less than the existing aggregate trust fund liability of NEW STAR to every principal who was an owner of said funds, without first obtaining the prior written consent of the owners of said funds, as required by Code Section 10145 and Regulations 2832.1, 2950(d), 2950(g) and 2951:

T/A #1 \$ 1,151.82

T/A #2 \$33,533.41

(a) (2) Failed to disburse from escrow trust account T/A #2 accumulated broker funds totaling \$24,306.95, in violation of Code Section 10145 and Regulation 2835. The aforesaid funds deposited on January 30, 2007, wherein they remained until August 31, 2007, and therefore were not disbursed within twenty-five (25) days of deposit, as required by Code Section 10145 and Regulations 2835, 2950(d) and 2951.

1 (b) Failed to maintain an accurate and complete control
2 record in the form of a columnar record in chronological order of
3 all trust funds received, deposited and disbursed by escrow trust
4 accounts T/A #1, T/A #2 and T/A #3, as required by Code Section
5 10145 and Regulation 2831, 2950(d) and 2951.

6 (c) Failed to maintain an accurate and complete
7 separate record of all trust funds received, deposited and
8 disbursed by escrow trust accounts T/A #1, T/A #2 and T/A #3, as
9 required by Code Section 10145 and Regulation 2831.1, 2950(d) and
10 2951.

11 (d) Failed to perform a monthly reconciliation of the
12 balance of all separate beneficiary or transaction records
13 maintained pursuant to Regulation 2831.1 with the record of all
14 trust funds received and disbursed by escrow trust accounts T/A
15 #1, T/A #2 and T/A #3, as required by Code Section 10145 and
16 Regulations 2831.2, 2950(d) and 2951. The Exception Items
17 reflected on the SMS Trust Account Reconciliation accounting
18 software were not reconciled.

19 (e) Permitted, allowed or caused the disbursement of
20 trust funds from the escrow trust accounts, via fifteen separate
21 disbursals in excess of \$25,000, without first obtaining the
22 prior written consent of the owners of said funds, to wit,
23 Stephen Park, Sung Hun Kwon, Se Yeon Yang, Jin Seup Kim, Sung
24 Woo, Heeyeun Woo, Wu Shik Yoo, Chul Y. Lee, Thomas Bearup,
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1 Assurance Capital and Acacia Park HOA, as required by Code
2 Section 10145 and Regulations 2950(d), 2950(g) and 2951:

3 (f) At the close of escrow, failed to render to each
4 principal of an escrow transaction a written statement setting
5 forth all receipts and disbursements together with the name of
6 the person to whom any such disbursement was made, as required by
7 Code Sections 10145 and 10177(g) and Regulations 2950(d), 2950(i)
8 and 2951. The HUD-1 escrow closing statements for twenty-eight
9 principals of escrowed funds failed to disclose the correct and
10 actual mortgage loan payoff amounts or the actual escrow fund
11 disbursements. All disbursement checks made by NEW STAR were
12 made payable to the respective sellers but subsequently endorsed
13 to an account named "Five Points Liquor", and endorsed by
14 signatures inconsistent with the sellers' signatures.

15 (g) Received undisclosed compensation by means of an
16 earning credit agreement with Wilshire State Bank. The earnings
17 credit was based on and calculated by trust fund activity in the
18 escrow trust accounts. Bank service charges were deducted from
19 the earning credit accrued on all escrow trust account at
20 Wilshire State Bank, thus reducing NEW STAR's cost of doing
21 business. The earnings credit arrangement was not disclosed by
22 NEW STAR or NAM to the beneficiaries of the escrow trust
23 accounts, in violation of Code Sections 10176(a) and 10176(g).
24 Between May 11, 2007 and May 8, 2007, earnings credits, in amount
25 of \$7,200, were deposited into a third party vendor designated by
26
27

1 NEW STAR to receive said earnings credit checks from Wilshire
2 State Bank; and

3 (h) Failed to monitor and had no system in place for
4 regularly monitoring NEW STAR's compliance with the Real Estate
5 Law especially in regard to establishing, systems, policies and
6 procedures to review escrow trust fund handling at NEW STAR's
7 Garden Grove main office, Cerritos branch and Los Angeles branch
8 office, in violation of Code Sections 10159.2, 10177(h) and
9 Regulation 2725.

10 16.

11 The conduct of Respondents NEW STAR and NAM, described
12 in Paragraph 15, above, violated the Code and the Regulations as
13 set forth below:

14 <u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
15 15(a) (1)	Code Section 10145 and Regulations 16 2832.1, 2950(d), 2950(g) and 2951 17
18	
19 15(a) (2)	Code Section 10145 and Regulations 20 2835, 2950(d) and 2951 21
22	
23 15(b)	Code Section 10145 and Regulations 24 2831, 2950(d) and 2951 25 26 27

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15(c) Code Section 10145 and Regulation
2831.1, 2950(d) and 2951

15(d) Code Section 10145 and Regulation
2831.2, 2950(d) and 2951

15(e) Code Sections 10145 and 10177(g)
and Regulations 2950(d), 2950(g)
and 2951

15(f) Code Section 10145 and Regulations
2950(d), 2950(i) and 2951

15(g) Code Section 10176(a) and 10176(g)

15(h) Code Sections 10159.2 and 10177(h)
and Regulation 2725

The foregoing violations constitute cause for the suspension or
revocation of the real estate license and license rights of NEW
STAR and NAM under the provisions of Code Sections 10176(a),
10176(g), 10177(d) and/or 10177(g) and 10177(h).

///

NEGLIGENCE

17.

1
2
3 The overall conduct of Respondents NEW STAR and NAM
4 constitutes negligence or incompetence. This conduct and
5 violation are cause for the suspension or revocation of the real
6 estate license and license rights of said Respondents pursuant to
7 Code Section 10177(g).

8 SUPERVISION AND COMPLIANCE

9 18.

10 The overall conduct of Respondent NAM constitutes a
11 failure on her part, as officer designated by a corporate broker
12 licensee, to exercise the reasonable supervision and control over
13 the licensed activities of NEW STAR as required by Code Section
14 10159.2, and to keep NEW STAR in compliance with the Real Estate
15 Law, and is cause for the suspension or revocation of the real
16 estate license and license rights of NAM pursuant to the
17 provisions of Code Sections 10177(d), 10177(g) and 10177(h).
18

19 PRIOR DEPARTMENTAL ACTION

20 19.

21 On October 29, 2004, in Case No. H-31432 LA, an
22 Accusation was filed against Respondents NEW STAR and NAM, that
23 resulted in discipline after hearing including revocation of
24 license with right to a restricted broker license on terms and
25 conditions for violations of Code Sections 10145, 10159.5; 10160,
26 10161.8 and 10240 and Regulations 2731, 2752, 2753, 2831.2, 2834
27

1 and 2951. Effective September 8, 2005, the real estate broker
2 licenses of NEW STAR and NAM were suspended for 120 days and
3 stayed upon terms and conditions including a monetary penalty for
4 two years.

5 WHEREFORE, Complainant prays that a hearing be
6 conducted on the allegations of this Accusation and that upon
7 proof thereof, a decision be rendered imposing disciplinary
8 action against the license and license rights of Respondents NEW
9 STAR REALTY INC. and JENNY SUNG-WON NAM, individually and as
10 designated officer of New Star Realty Inc. under the Real Estate
11 Law (Part 1 of Division 4 of the Business and Professions Code)
12 and for such other and further relief as may be proper under
13 other applicable provisions of law.

14 Dated at Los Angeles, California

15 this 13 day of May 2008.

16 
17 Deputy Real Estate Commissioner

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23
24 cc: New Star Realty Inc.
25 c/o Jenny Sung-Won Nam D.O.
26 Robin Trujillo
27 Sacto
Audits - Gina Chou

fact

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)

FILED

OCT - 9 2007

DEPARTMENT OF REAL ESTATE

BY: *DeLy*

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)
12 NEW STAR REALTY INC. doing)
13 business as ERA New Star Realty)
14 & Inv.; and JENNY SUNG-WON NAM,)
15 individually and as)
16 designated officer of)
New Star Realty Inc.,)
Respondents.)

No. H-34072 LA
FIRST AMENDED
ACCUSATION

17 The Accusation filed on June 25, 2007, is amended in
18 its entirety as follows:

19 The Complainant, Maria Suarez, a Deputy Real Estate
20 Commissioner of the State of California, for cause of Accusation
21 against NEW STAR REALTY INC. dba ERA New Star Realty & Inv.; and
22 JENNY SUNG-WON NAM, individually and as designated officer of New
23 Star Realty Inc. alleges as follows:
24

25 1.

26 The Complainant, Maria Suarez, acting in her official
27 capacity as a Deputy Real Estate Commissioner of the State of

1 California, makes this Accusation against NEW STAR REALTY INC.
2 and JENNY SUNG-WON NAM.

3 2.

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

7 LICENSE HISTORY

8 3.

9 A. At all times mentioned NEW STAR REALTY INC. ("NEW
10 STAR") was licensed or had license rights issued by the
11 Department of Real Estate ("Department") as a real estate broker.
12 On December 4, 1990, NEW STAR was originally licensed as a real
13 estate broker.

14 B. On October 29, 2004, in Case No. H-31432 LA, an
15 Accusation was filed against Respondent NEW STAR and JENNY SUNG-
16 WON NAM that resulted in discipline as set forth below in
17 Paragraph 11.

18 C. At all times mentioned, JENNY SUNG-WON NAM ("NAM")
19 was licensed or had license rights issued by the Department as a
20 real estate broker.. On November 7, 1988, NAM was originally
21 licensed as a real estate salesperson. On August 14, 1999, NAM
22 was originally licensed as a real estate broker. NAM has been
23 the designated officer of NEW STAR since its original licensure.
24

25 D. At all times material herein, NEW STAR was licensed
26 by the Department as a corporate real estate broker by and
27

1 through NAM, as the designated officer and broker responsible,
2 pursuant to Code Section 10159.2 of the Business and Professions
3 Code for supervising the activities requiring a real estate
4 license conducted on behalf NEW STAR of by NEW STAR's officers,
5 agents and employees, including NAM.

6 LICENSED ACTIVITIES AND BROKERAGE

7 4.

8 At all times mentioned, in the City of Garden Grove,
9 County of Los Angeles, NEW STAR acted as a real estate broker and
10 conducted licensed activities within the meaning of:

11 A. Code Section 10131(a). NEW STAR operated a
12 residential resale brokerage dba ERA New Star Realty & Inv.; and

13 B. In addition, NEW STAR conducted broker-controlled
14 escrows through its escrow divisions, under the exemption set
15 forth in California Financial Code Section 17006(a)(4) for real
16 estate brokers performing escrows incidental to a real estate
17 transaction where the broker is a party and where the broker is
18 performing acts for which a real estate license is required.
19

20 FIRST CAUSE OR ACTION

21 BROKER ESCROW AUDIT OF NEW STAR REALTY INC.

22 5.

23 On July 28, 2006, the Department completed an audit
24 examination of the books and records of NEW STAR pertaining to
25 the broker-escrow activities described in Paragraph 4, that
26 require a real estate license. The audit examination covered a
27

1 period of time beginning on September 8, 2005 to April 28, 2006.
2 The audit examination revealed violations of the Code and the
3 Regulations as set forth in the following paragraphs, and more
4 fully set forth in Audit Report LA 050322 (broker escrow) and the
5 exhibits and workpapers attached thereto.

6 TRUST ACCOUNT

7 6.

8 At all times mentioned, in connection with the activities
9 described in Paragraph 4, above, NEW STAR accepted or received
10 funds including funds in trust (hereinafter "trust funds") from
11 or on behalf of actual or prospective parties to transactions
12 including buyers, sellers, lenders and escrowholders handled by
13 NEW STAR. Thereafter NEW STAR made deposits and or disbursements
14 of such funds. From time to time herein mentioned during the
15 audit period, said trust funds were deposited and/or maintained
16 by NEW STAR in the bank accounts as follows:
17

18 "New Star Realty Inc. New Star Escrow Trust Account
19 1875124"
20 Wilshire State Bank
21 Los Angeles, California ("T/A#1")

22 "New Star Realty Inc. New Star Escrow Trust Account
23 1867318"
24 Wilshire State Bank
25 Los Angeles, California ("T/A#2")

26 "New Star Realty Inc. New Star Escrow Trust Account
27 1872311"
28 Wilshire State Bank
29 Los Angeles, California ("T/A#3")

1 BROKER ESCROW AUDIT OF NEW STAR REALTY INC.

2 VIOLATIONS OF THE REAL ESTATE LAW

3 7.

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

8 (a) Permitted, allowed or caused the disbursement of
9 trust funds from the escrow trust account where the disbursement
10 of funds reduced the total of aggregate funds in T/A #1, to an
11 amount which, on April 28, 2006, was \$68,565.93, less than the
12 existing aggregate trust fund liability of NEW STAR to every
13 principal who was an owner of said funds, without first obtaining
14 the prior written consent of the owners of said funds, as
15 required by Code Section 10145 and Regulations 2832.1, 2950(d),
16 2950(g) and 2951.

17 (b) Failed to perform a monthly reconciliation of the
18 balance of all separate beneficiary or transaction records
19 maintained pursuant to Regulation 2831.1 with the record of all
20 trust funds received and disbursed by the escrow trust accounts,
21 as required by Code Section 10145 and Regulations 2831.2, 2950(d)
22 and 2951.

23 (c) Permitted escrow officer Hae Jin Lin, an unlicensed
24 and unbonded person, to be authorized signatories on T/A #1, in
25 violation of Code Section 10145 and Regulation 2834.
26
27

1 (d) Failed to maintain the office, place of books,
2 records, accounts, safes, files and papers relations to such
3 escrow freely accessible and available for audit, inspection and
4 examination by the Commissioner of the Department of Real Estate,
5 as required by Code Section 10148 and Regulation 2950(e).

6 (e) had no system in place for regularly monitoring his
7 compliance with the Real Estate Law especially in regard to
8 establishing policies to review trust fund handling, in violation
9 of Code Section 10177(h) and Regulation 2725.

10 8.

11 The conduct of Respondents NEW STAR and NAM, described
12 in Paragraph 7, above, violated the Code and the Regulations as
13 set forth below:

<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
14 7(a)	15 Code Section 10145 and Regulations 16 2832.1, 2950(d), 2950(g) and 2951 17
18 7(b)	19 Code Section 10145 and Regulations 20 2831.2, 2050(d) and 2951 21
22 7(c)	23 Code Section 10145 and Regulation 24 2834
25 7(d)	26 Code Section 10148 and Regulation 27 2950(e)

1
2 7(e)

Code Section 10159.5, 10177(h) and
3 Regulation 2725

4 The foregoing violations constitutes cause for the suspension or
5 revocation of the real estate license and license rights of NEW
6 STAR and NAM under the provisions of Code Sections 10177(d)
7 and/or 10177(g) and 10177(h).

8 SECOND CAUSE OF ACTION

9 RESALE AUDIT OF NEW STAR REALTY INC.

10 9.

11 On May 25, 2006, the Department completed an audit
12 examination of the books and records of NEW STAR pertaining to
13 the residential resale activities described in Paragraph 4,
14 above, that require a real estate license. The audit examination
15 covered a period of time beginning on September 8, 2005 to April
16 30, 2006. The audit examination revealed violations of the Code
17 and the Regulations as set forth in the following paragraphs, and
18 more fully set forth in Audit Report LA 050211 (broker escrow)
19 and the exhibits and workpapers attached thereto.
20

21 TRUST ACCOUNT

22 10.

23 NEW STAR did not maintain a trust account for residential
24 resale activity during the audit period.

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26 ///

RESALE AUDIT OF NEW STAR REALTY INC.

VIOLATIONS OF THE REAL ESTATE LAW

11.

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4 In the course of activities described in Paragraph 4,
5 above, and during the examination period described in Paragraph
6 9, Respondents NEW STAR and NAM, acted in violation of the Code
7 and the Regulations in that they:

8 (a) Failed to place trust funds, including earnest
9 money deposits, accepted on behalf of another into the hands of
10 the owner of the funds, a neutral escrow depository or into a
11 trust fund account in the name of the trustee at a bank or other
12 financial institution not later than three business days
13 following receipt of the funds by the broker or by the broker's
14 salesperson, as required by Code Section 10145 and Regulation
15 2832(d).
16

17 (b) Failed to retain the salesperson license
18 certificate for Charles Moon, as required by Code Section 10160
19 and Regulation 2753.

20 (c) Failed to maintain a signed broker salesperson
21 agreement with real estate licensee Charles Moon, as required by
22 Section 2726 of the Regulations.

23 (d) NAM failed to display her designated officer
24 license at the main office of the corporation, as required by
25 Code Section 10162.
26
27

1 (e) NAM had no system in place for regularly monitoring
2 their compliance with the Real Estate Law especially in regard to
3 establishing policies to review trust fund handling for earnest
4 money deposits, in violation of Code Sections 10159.2, 10177(h)
5 and Regulation 2725.

6 12.

7 The conduct of Respondents NEW STAR and NAM, described
8 in Paragraph 11, above, violated the Code and the Regulations as
9 set forth below:

10	<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
11	11(a)	Code Section 10145 and Regulation
12		2832
13		
14	11(b)	Code Section 10160 and Regulation
15		2753
16		
17	11(c)	Regulation 2726
18		
19	11(d)	Code Section 10162
20		
21	11(e)	Code Section 10159.5, 10177(h) and
22		Regulation 2725
23		

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1 The foregoing violations constitutes cause for the
2 suspension or revocation of the real estate license and license
3 rights of NEW STAR and NAM under the provisions of Code Sections
4 10177(d) and/or 10177(g) and 10177(h).

5 NEGLIGENCE

6 13.

7 The overall conduct of Respondents NEW STAR and NAM
8 constitutes negligence or incompetence. This conduct and
9 violation are cause for the suspension or revocation of the real
10 estate license and license rights of said Respondents pursuant to
11 Code Section 10177(g).

12 SUPERVISION AND COMPLIANCE

13 14.

14 The overall conduct of Respondent NAM constitutes a
15 failure on her part, as officer designated by a corporate broker
16 licensee, to exercise the reasonable supervision and control over
17 the licensed activities of NEW STAR as required by Code Section
18 10159.2, and to keep NEW STAR in compliance with the Real Estate
19 Law, and is cause for the suspension or revocation of the real
20 estate license and license rights of NAM pursuant to the
21 provisions of Code Sections 10177(d), 10177(g) and 10177(h).

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PRIOR DEPARTMENTAL ACTION

15.

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2
3 On October 29, 2004, in Case No. H-31432 LA, an
4 Accusation was filed against Respondents NEW STAR and NAM, that
5 resulted in discipline after hearing including revocation of
6 license with right to a restricted broker license on terms and
7 conditions for violations of Code Sections 10145, 10159.5, 10160,
8 10161.8 and 10240 and Regulations 2731, 2752, 2753, 2831.2, 2834
9 and 2951. Effective September 8, 2005, the real estate broker
10 licenses of NEW STAR and NAM were suspended for 120 days and
11 stayed upon terms and conditions including a monetary penalty for
12 two years.

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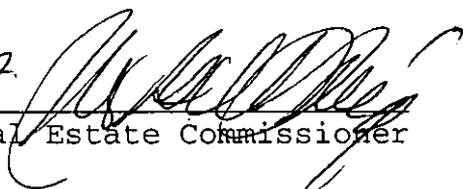
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27

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 NEW
5 STAR REALTY INC. and JENNY SUNG-WON NAM, under the Real Estate
6 Law (Part 1 of Division 4 of the Business and Professions Code)
7 and for such other and further relief as may be proper under
8 other applicable provisions of law.

9 Dated at Los Angeles, California

10 this *9th* day of *October* 2007 
11 Deputy Real Estate Commissioner

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23
24 cc: New Star Realty Inc.
25 c/o Jenny Sung-Won Nam D.O.
26 Maria Suarez
27 Sacto
Audits - Elenita Morales

2.

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

5 LICENSE HISTORY

6 3.

7 A. At all times mentioned NEW STAR REALTY INC. ("NEW
8 STAR") was licensed or had license rights issued by the
9 Department of Real Estate ("Department") as a real estate broker.
10 On December 4, 1990, NEW STAR was originally licensed as a real
11 estate broker.

12 B. On October 29, 2004, in Case No. H-31432 LA, an
13 Accusation was filed against Respondent NEW STAR and JENNY SUNG-
14 WON NAM that resulted in discipline as set forth below in
15 Paragraph 11.
16

17 C. At all times mentioned, JENNY SUNG-WON NAM ("NAM")
18 was licensed or had license rights issued by the Department as a
19 real estate broker. On November 7, 1988, NAM was originally
20 licensed as a real estate salesperson. On August 14, 1999, NAM
21 was originally licensed as a real estate broker. NAM has been
22 the designated officer of NEW STAR since its original licensure.

23 D. At all times material herein, NEW STAR was licensed
24 by the Department as a corporate real estate broker by and
25 through NAM, as the designated officer and broker responsible,
26 pursuant to Code Section 10159.2 of the Business and Professions
27

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

4 LICENSED ACTIVITIES AND BROKERAGE

5 4.

6 At all times mentioned, in the City of Garden Grove,
7 County of Los Angeles, NEW STAR acted as a real estate broker and
8 conducted licensed activities within the meaning of:

9 A. Code Section 10131(a). NEW STAR operated a
10 residential resale brokerage dba ERA New Star Realty & Inv.; and

11 B. In addition, NEW STAR conducted broker-controlled
12 escrows through its escrow divisions, under the exemption set
13 forth in California Financial Code Section 17006(a)(4) for real
14 estate brokers performing escrows incidental to a real estate
15 transaction where the broker is a party and where the broker is
16 performing acts for which a real estate license is required.
17

18 AUDIT

19 5.

20 On July 28, 2006, the Department completed an audit
21 examination of the books and records of NEW STAR pertaining to
22 the broker-escrow activities described in Paragraph 4, that
23 require a real estate license. The audit examination covered a
24 period of time beginning on September 8, 2005 to April 28, 2006.
25 The audit examination revealed violations of the Code and the
26 Regulations as set forth in the following paragraphs, and more
27

1 fully set forth in Audit Report LA 050322 (broker escrow) and the
2 exhibits and workpapers attached thereto.

3 TRUST ACCOUNT

4 6.

5 At all times mentioned, in connection with the activities
6 described in Paragraph 4, above, NEW STAR accepted or received
7 funds including funds in trust (hereinafter "trust funds") from
8 or on behalf of actual or prospective parties to transactions
9 including buyers, sellers, lenders and escrowholders handled by
10 NEW STAR. Thereafter NEW STAR made deposits and or disbursements
11 of such funds. From time to time herein mentioned during the
12 audit period, said trust funds were deposited and/or maintained
13 by NEW STAR in the bank accounts as follows:

14
15 "New Star Realty Inc. New Star Escrow Trust Account
16 1875124"
17 Wilshire State Bank
18 Los Angeles, California ("T/A#1")

19 "New Star Realty Inc. New Star Escrow Trust Account
20 1867318"
21 Wilshire State Bank
22 Los Angeles, California ("T/A#2")

23 "New Star Realty Inc. New Star Escrow Trust Account
24 1872311"
25 Wilshire State Bank
26 Los Angeles, California ("T/A#3")
27

VIOLETIONS OF THE REAL ESTATE LAW

7.

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2
3 In the course of activities described in Paragraphs 4
4 and 6, above, and during the examination period described in
5 Paragraph 5, Respondents NEW STAR and NAM, acted in violation of
6 the Code and the Regulations in that they:

7 (a) Permitted, allowed or caused the disbursement of
8 trust funds from the escrow trust account where the disbursement
9 of funds reduced the total of aggregate funds in T/A #1, to an
10 amount which, on April 28, 2006, was \$68,565.93, less than the
11 existing aggregate trust fund liability of NEW STAR to every
12 principal who was an owner of said funds, without first obtaining
13 the prior written consent of the owners of said funds, as
14 required by Code Section 10145 and Regulations 2832.1, 2950(d),
15 2950(g) and 2951.

16
17 (b) Failed to perform a monthly reconciliation of the
18 balance of all separate beneficiary or transaction records
19 maintained pursuant to Regulation 2831.1 with the record of all
20 trust funds received and disbursed by the escrow trust accounts,
21 as required by Code Section 10145 and Regulations 2831.2, 2950(d)
22 and 2951.

23 (c) Permitted escrow officer Hae Jin Lin, an unlicensed
24 and unbonded person, to be authorized signatories on T/A #1, in
25 violation of Code Section 10145 and Regulation 2834.

26 (d) Failed to maintain the office, place of books,
27

1 records, accounts, safes, files and papers relations to such
2 escrow freely accessible and available for audit, inspection and
3 examination by the Commissioner of the Department of Real Estate,
4 as required by Code Section 10148 and Regulation 2950(e).

5 (e) had no system in place for regularly monitoring his
6 compliance with the Real Estate Law especially in regard to
7 establishing policies to review trust fund handling, in violation
8 of Code Section 10177(h) and Regulation 2725.

9 8.

10 The conduct of Respondents NEW STAR and NAM, described
11 in Paragraph 7, above, violated the Code and the Regulations as
12 set forth below:

13	<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
14	7(a)	Code Section 10145 and Regulations
15		2832.1, 2950(d), 2950(g) and 2951
16		
17		
18	7(b)	Code Section 10145 and Regulations
19		2831.2, 2050(d) and 2951
20		
21	7(c)	Code Section 10145 and Regulation
22		2834
23		
24	7(d)	Code Section 10148 and Regulation
25		2950(e)
26		
27		

1 7(e)

Code Section 10159.5, 10177(h) and
2 Regulation 2725

3 The foregoing violations constitutes cause for the suspension or
4 revocation of the real estate license and license rights of NEW
5 STAR and NAM under the provisions of Code Sections 10177(d)
6 and/or 10177(g) and 10177(h).

7 NEGLIGENCE

8 9.

9 The overall conduct of Respondents NEW STAR and NAM
10 constitutes negligence or incompetence. This conduct and
11 violation are cause for the suspension or revocation of the real
12 estate license and license rights of said Respondents pursuant to
13 Code Section 10177(g)..

14 SUPERVISION AND COMPLIANCE

15 10.

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

24 ///

25 ///

PRIOR DEPARTMENTAL ACTION

11.

1
2
3 On October 29, 2004, in Case No. H-31432 LA, an
4 Accusation was filed against Respondents NEW STAR and NAM, that
5 resulted in discipline after hearing including revocation of
6 license with right to a restricted broker license on terms and
7 conditions for violations of Code Sections 10145, 10159.5, 10160,
8 10161.8 and 10240 and Regulations 2731, 2752, 2753, 2831.2, 2834
9 and 2951. Effective September 8, 2005, the real estate broker
10 licenses of NEW STAR and NAM were suspended for 120 days and
11 stayed upon terms and conditions including a monetary penalty for
12 two years.

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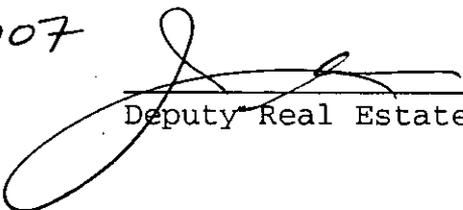
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27

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 NEW
5 STAR REALTY INC. and JENNY SUNG-WON NAM, under the Real Estate
6 Law (Part 1 of Division 4 of the Business and Professions Code)
7 and for such other and further relief as may be proper under
8 other applicable provisions of law.

9 Dated at Los Angeles, California

10 this *20 June 2007*

11 
12 _____
13 Deputy Real Estate Commissioner
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24 cc: New Star Realty Inc.
25 c/o Jenny Sung-Won Nam D.O.
26 Janice Waddell
27 Sacto
Audits - Elenita Morales