

1 Department of Real Estate
2 320 W. 4th Street, Suite 350
3 Los Angeles, CA 90013-1105

4 Telephone: (213) 576-6982

FILED

APR 19 2021

DEPT. OF REAL ESTATE

By Zmi - J

8 **DEPARTMENT OF REAL ESTATE**

9 **STATE OF CALIFORNIA**

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11 In the Matter of the Accusation of
12 GREAT WALL REALTY, INC., and
13 HONGHUA SHANG, individually and as
14 designated officer of Great Wall Realty, Inc.,
15 Respondents.

) DRE No. H-41723 LA

) **STIPULATION AND AGREEMENT**

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17 It is hereby stipulated by and between Respondents GREAT WALL REALTY, INC.
18 and HONGHUA SHANG (collectively "Respondents") and their attorney of record, Timothy S.
19 Camarena, and the Complainant, acting by and through Kevin H. Sun, Counsel for the Department
20 of Real Estate, as follows for the purpose of settling and disposing of the First Amended
21 Accusation filed on August 28, 2020, in this matter (Case No. H-41723 LA):

22 1. All issues which were to be contested and all evidence which was to be presented
23 by Complainant and Respondents at a formal hearing on the Accusation, which hearing was to be
24 held in accordance with the provisions of the Administrative Procedure Act ("APA"), shall instead
25 and in place thereof be submitted on the basis of the provisions of this Stipulation and Agreement
26 in Settlement and Order ("Stipulation").
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1 2. Respondents have received, read and understand the Statement to Respondents,
2 the Discovery Provisions of the APA and the Accusation filed by the Department of Real Estate in
3 this proceeding.

4 3. On or about July 16, 2020, Respondents filed Notices of Defense pursuant to
5 Section 11506 of the Government Code for the purpose of requesting a hearing on the allegations in
6 the Accusation. Respondents hereby freely and voluntarily withdraw said Notices of Defense.
7 Respondents acknowledge that they understand that by withdrawing said Notices of Defense they
8 will thereby waive their rights to require the Commissioner to prove the allegations in the
9 Accusation at a contested hearing held in accordance with the provisions of the APA and that they
10 will waive other rights afforded to them in connection with the hearing such as the right to present
11 evidence in defense of the allegations in the Accusation and the right to cross-examine witnesses.

12 4. Respondents, pursuant to the limitations set forth below, hereby admit that the
13 factual allegations in the Accusation filed in this proceeding are true and correct and the Real Estate
14 Commissioner shall not be required to provide further evidence of such allegations.

15 5. It is understood by the parties that the Real Estate Commissioner may adopt the
16 Stipulation and Agreement as his Decision in this matter, thereby imposing the penalty and
17 sanctions on Respondents' real estate licenses and license rights as set forth in the below "Order".
18 In the event that the Commissioner in his discretion does not adopt the Stipulation and Agreement,
19 it shall be void and of no effect, and Respondents shall retain the right to a hearing and proceeding
20 on the Accusation under all the provisions of the APA and shall not be bound by any admission or
21 waiver made herein.

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

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DETERMINATION OF ISSUES

By reason of the foregoing stipulations, admissions and waivers and solely for the purpose of settlement of the pending Accusation without a hearing, it is stipulated and agreed that the following determination of issues shall be made:

The conduct of Respondents, as described in the Accusation, are in violation of California Business and Professions Code ("Code") Sections 10141.6, and 10145, as well as Title 10, Chapter 6, California Code of Regulations ("Regulations") Sections 2831, 2831.2, 2831.1, 2832, 2832.1, 2834, 2950 and 2951 and are grounds for the suspension or revocation of all of the real estate license and license rights of Respondents under the provision of Code Sections 10177(d), and (g) of the Code. In addition, the Conduct of HONGHUA SHANG, as described in the Accusation, are in violation of Code Section 10159.2, as well as Regulations Sections 2725, and are grounds for the suspension or revocation of the real estate license and license rights of HONGHUA SHANG under the provision of Code Sections 10177(h) of the Code.

ORDER

WHEREFORE, THE FOLLOWING ORDER is hereby made:

I.

(GREAT WALL REALTY, INC.)

All licenses and license rights of Respondent GREAT WALL REALTY, INC. under the Real Estate Law are suspended for a period of sixty (60) days from the effective date of this Decision;

A. Provided, however, that the initial thirty (30) days of said suspension shall be stayed for two (2) years upon the following terms and conditions:

1. Respondent GREAT WALL REALTY, INC. shall pay a monetary penalty pursuant to Code section 10175.2 at the rate of \$100.00 per day for each of the thirty (30) days of suspension for a total monetary penalty of \$3,000.00.

2. Said payment shall be in the form of a cashier's check made payable to the Department of Real Estate. Said check must be delivered to the Department of Real Estate, Flag

H.S.

1 Section, P.O. Box 137013, Sacramento, CA 95813-7013, prior to the effective date of this
2 **Decision and Order.**

3 3. No further cause for disciplinary action against the real estate license of
4 Respondent GREAT WALL REALTY, INC. occurs within two (2) years from the effective date of
5 the Decision in this matter.

6 4. If Respondent GREAT WALL REALTY, INC. fails to pay the monetary
7 penalty in accordance with the terms and conditions of the Decision, the suspension shall go into
8 effect automatically with regard to said Respondent. Respondent GREAT WALL REALTY, INC.
9 shall not be entitled to any repayment nor credit, prorated or otherwise, for money paid to the
10 Department under the terms of this Decision and Order.

11 5. If Respondent GREAT WALL REALTY, INC. pays the monetary penalty
12 and if no further cause for disciplinary action against the real estate license of Respondent occurs
13 within two (2) years from the effective date of the Decision, the stay hereby granted shall become
14 permanent.

15 B. The remaining thirty (30) days of said suspension shall be stayed for two (2)
16 years upon the following terms and conditions:

17 1. That Respondent GREAT WALL REALTY, INC. shall obey all laws, rules
18 and regulations governing the rights, duties and responsibilities of a real estate licensee in the State
19 of California; and

20 2. That no final subsequent determination be made after hearing or upon
21 stipulation, that cause for disciplinary action occurred within two (2) years from the effective date
22 of this Decision. Should such a determination be made, the Commissioner may, in his discretion,
23 vacate and set aside the stay order and re-impose all or a portion of the stayed suspension. Should
24 no such determination be made under this section, the stay imposed herein shall become permanent.

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1 II.

2 (HONGHUA SHANG)

3 All licenses and license rights of Respondent HONGHUA SHANG under the
4 Real Estate Law are suspended for a period of sixty (60) days from the effective date of this
5 Decision;

6 A. Provided, however, that the initial thirty (30) days of said suspension shall be
7 stayed for two (2) years upon the following terms and conditions:

8 1. Respondent HONGHUA SHANG shall pay a monetary penalty pursuant to
9 Code section 10175.2 at the rate of \$100.00 per day for each of the thirty (30) days of suspension
10 for a total monetary penalty of \$3,000.00.

11 2. Said payment shall be in the form of a cashier's check made payable to the
12 Department of Real Estate. Said check must be delivered to the Department of Real Estate, Flag
13 Section, P.O. Box 137013, Sacramento, CA 95813-7013, prior to the effective date of this
14 Decision and Order.

15 3. No further cause for disciplinary action against the real estate license of
16 Respondent HONGHUA SHANG occurs within two (2) years from the effective date of the
17 Decision in this matter.

18 4. If Respondent HONGHUA SHANG fails to pay the monetary penalty in
19 accordance with the terms and conditions of the Decision, the suspension shall go into effect
20 automatically with regard to said Respondent. Respondent HONGHUA SHANG shall not be
21 entitled to any repayment nor credit, prorated or otherwise, for money paid to the Department under
22 the terms of this Decision and Order.

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

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

1 1. That Respondent HONGHUA SHANG shall obey all laws, rules and
2 regulations governing the rights, duties and responsibilities of a real estate licensee in the State of
3 California; and

4 2. That no final subsequent determination be made after hearing or upon
5 stipulation, that cause for disciplinary action occurred within two (2) years from the effective date
6 of this Decision. Should such a determination be made, the Commissioner may, in his discretion,
7 vacate and set aside the stay order and re-impose all or a portion of the stayed suspension. Should
8 no such determination be made under this section, the stay imposed herein shall become permanent.

9 D. Respondent HONGHUA SHANG shall, within six (6) months from the effective
10 date of this Decision and Order, take and complete trust fund management course and filed proof
11 of completion of such course with the Department. If Respondent HONGHUA SHANG fails to
12 satisfy this condition, Respondent's real estate license shall automatically be suspended until
13 Respondent provides such proof of completion.

14 E. Respondent HONGHUA SHANG's Mortgage Loan Originator ("MLO")
15 endorsement is hereby revoked; provided, however, a restricted MLO license endorsement shall be
16 issued to Respondent and shall be subject to all of the provisions of Section 10156.7 of the Code
17 and to the following limitations, conditions and restrictions imposed under authority of Section
18 10156.6 of the Code:

19 1. The restricted MLO license endorsement shall not confer any property right
20 in the privileges to be exercised including the right of renewal, and the Commissioner may by
21 appropriate order suspend the right to exercise any privileges granted under the restricted license in
22 the event of:


23 i. Respondent's conviction (including a plea of nolo contendere) of a
24 crime that bears a substantial relationship to Respondent's fitness or capacity as a real estate
25 licensee; or

26 ii. The receipt of evidence that Respondent has violated provisions of
27 the California Real Estate Law, the Subdivided Lands Law, Regulations of the Commissioner, or

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1 Respondents has corrected the violations found in the Determination of Issues. In calculating the
2 amount of the Commissioner's reasonable costs, the Commissioner may use the estimated average
3 hourly salary for all persons performing audits of real estate brokers, and shall include an allocation
4 for travel time to and from the auditor's place of work. Respondents shall pay such costs within
5 sixty (60) days of receiving an invoice therefor from the Commissioner. Payment of the audit
6 costs should not be made until Respondents receives the invoice. If Respondents fail to satisfy this
7 condition in a timely manner as provided for herein, Respondents' real estate licenses shall
8 automatically be suspended until payment is made in full, or until a decision, providing otherwise,
9 is adopted following a hearing held pursuant to this condition.

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11 DATED: 2/22/2021



Kevin H. Sun, Counsel for
Department of Real Estate

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15 **EXECUTION OF THE STIPULATION**

16 We have read the Stipulation, have discussed it with our counsel, and its terms are
17 understood by us and are agreeable and acceptable to us. We understand that we are waiving rights
18 given to us by the California Administrative Procedure Act (including but not limited to Sections
19 11506, 11508, 11509 and 11513 of the Government Code), and we willingly, intelligently and
20 voluntarily waive those rights, including the right of requiring the Commissioner to prove the
21 allegations in the Accusation at a hearing at which we would have the right to cross-examine
22 witnesses against us and to present evidence in defense and mitigation of the charges.

23 Respondents shall mail the original signed signature page of the stipulation herein to
24 Kevin H. Sun, Attention: Legal Section, Department of Real Estate, 320 W. Fourth St., Suite 350,
25 Los Angeles, California 90013-1105.

26 In the event of time constraints before an administrative hearing, Respondents can
27 signify acceptance and approval of the terms and conditions of this Stipulation and Agreement by

1 emailing a scanned copy of the signature page, as actually signed by Respondents, to the
2 Department counsel assigned to this case. Respondents agree, acknowledge and understand that by
3 electronically sending the Department a scan of Respondents' actual signature as it appears on the
4 Stipulation and Agreement that receipt of the scan by the Department shall be binding on
5 Respondents as if the Department had received the original signed Stipulation. Respondents shall
6 also mail the original signed signature page of this Stipulation to the Department counsel.

7 Respondents' signatures below constitute acceptance and approval of the terms and
8 conditions of this Stipulation. Respondents agree, acknowledge and understand that by signing this
9 Stipulation, Respondents are bound by its terms as of the date of such signatures and that this
10 agreement is not subject to rescission or amendment at a later date except by a separate Decision
11 and Order of the Real Estate Commissioner.

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13 DATED: 1/25/2021 Honghua Shang
14 GREAT WALL REALTY, INC.
15 Respondent
16 By: HONGHUA SHANG

17 DATED: 1/25/2021 Honghua Shang
18 HONGHUA SHANG, individually and
19 as designated officer of GREAT WALL REALTY, INC.,
20 Respondent

21 DATED: 2/5/21 [Signature]
22 Timothy S. Camarena, Esq.
23 Counsel for Respondents
24 Approved as to Form

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The foregoing Stipulation and Agreement is hereby adopted as my Decision as to Respondent GREAT WALL REALTY, INC. and HONGHUA SHANG in this matter and shall become effective at 12 o'clock noon on MAY 19 2021, 2021.

IT IS SO ORDERED 4.12.21, 2021.

DOUGLAS R. McCAULEY
REAL ESTATE COMMISSIONER

