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FILED

MAY 20 2008

DEPARTMENT OF REAL ESTATE

By H. Max

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	
)	No. H-7548 SF
CHEN CHI WANG,)	No. H-8008 SF
)	
Respondent.)	
_____)	

ORDER DENYING REINSTATEMENT OF LICENSE

On July 21, 1998, in Case No. H-7548 SF, an Order was rendered revoking the real estate broker license of Respondent, but granting Respondent the right to the issuance of a restricted real estate broker license. A restricted real estate broker license was issued to Respondent on August 20, 1998. On October 9, 2002, in Case No. H-8008 SF, an Order was rendered revoking Respondent's license effective November 6, 2002.

On November 17, 2005, Respondent petitioned for reinstatement of said real estate broker license, and the Attorney General of the State of California has been given notice of the filing of said petition.

I have considered Respondent's petition and the evidence and arguments in support thereof. Respondent has

1 failed to demonstrate to my satisfaction that Respondent has
2 undergone sufficient rehabilitation to warrant the reinstatement
3 of Respondent's real estate broker license at this time. This
4 determination has been made in light of Respondent's history of
5 acts and conduct which are substantially related to the
6 qualifications, functions and duties of a real estate licensee.

7 The Department has developed criteria in Section 2911
8 of Chapter 6, Title 10, California Code of Regulations (herein
9 "the Regulations") to assist in evaluating the rehabilitation of
10 an applicant for reinstatement of a license. Among the criteria
11 relevant in this proceeding are:

12 Section 2911(a). The passage of not less than two
13 years since the most recent criminal conviction or act of the
14 applicant that is a basis to deny the departmental action
15 sought. (A longer period will be required if there is a history
16 of acts or conduct substantially related to the qualifications,
17 functions or duties of a licensee of the department.)

18 For many years Respondent has been in the business of
19 selling fractionalized interests in real property in the
20 Lancaster area of Los Angeles and Kern Counties. For most of
21 this time, Respondent's business was conducted through a
22 corporation named EIC Group. Respondent participated in buying
23 and selling over 1,000 properties. Respondent's firm also
24 coordinated the tax payments for the owners of undivided
25 interests in the real property. In the year 2000, Respondent's
26 business coordinated property tax payments for over 2,000
27 parcels. There were also over 2,000 investors in those parcels.

1 Respondent has a lengthy history of violating the
2 Subdivided Lands Act and Real Estate Law in the course of
3 operating this business.

4 1. On April 14, 1992, in Case No. H-25044 LA, the
5 Real Estate Commissioner issued an Order To Desist And Refrain
6 based on a finding that Respondent had violated Sections 11010
7 and 11018.2 of the Code by unlawfully selling interests in
8 subdivided lands without first obtaining a public report. This
9 violation occurred in the course of Respondent's operation of the
10 EIC Group, a corporation.

11 2. On July 21, 1998, a Decision was issued in Case
12 No. H-7548 SF, revoking Respondent's real estate broker license
13 pursuant to the provisions of Sections 10137 and 10177(d) of the
14 Code but granting to Respondent the right to the issuance of a
15 restricted real estate broker license. A restricted real estate
16 broker license was issued to Respondent. This violation also
17 occurred in the course of Respondent's operation of the EIC
18 Group's business.

19 3. On January 30, 2001, in Case No. H-28606 LA, the
20 Real Estate Commissioner issued an Order To Desist And Refrain
21 based on a finding that Respondent had violated Section 11018.2
22 of the Code by unlawfully selling interests in subdivided lands
23 without first obtaining a public report. This violation also
24 occurred in the course of Respondent's operation of the EIC
25 Group's business.

1 4. On October 9, 2002, in Case No. H-8008 SF, a
2 Decision was issued in Case No. H-7548 SF, revoking Respondent's
3 real estate broker license pursuant to the provisions of
4 Sections 11018.2 and 10177(d) of the Code for unlawfully selling
5 an interest in subdivided lands without first obtaining a public
6 report. The Decision of October 9, 2002 was upheld by the Court
7 of Appeal, Third Appellate District, on February 23, 2005. This
8 violation also occurred in the course of Respondent's operation
9 of the EIC Group's business.

10 5. On February 23, 2007, in Case No. H-33748 LA, the
11 Real Estate Commissioner issued an Order To Desist And Refrain
12 based on a finding that Respondent had violated Section 11018.2
13 of the Code by unlawfully selling an interest in subdivided lands
14 without first obtaining a public report. On October 17, 2007, a
15 Decision was rendered after a contested hearing upholding the
16 Order To Desist And Refrain as to Respondent. This violation
17 occurred in the course of Respondent's operation of ACEH Capital
18 LLC.

19 Respondent is still in the business of selling
20 fractionalized interests in real property in the Lancaster area
21 of Los Angeles and Kern Counties. Respondent's business is now
22 being conducted through an entity named ACEH Capital LLC.

23 In view of Respondent's history of acts or conduct
24 leading to administrative action, insufficient time has elapsed
25 from the most recent administrative action to establish
26 Respondent's rehabilitation.

27 ///

1 Section 2911(k). Correction of business practices
2 resulting in injury to others or with the potential to cause
3 such injury.

4 Respondent states that, since the sale resulting in
5 the revocation of Respondent's license, Respondent has initiated
6 procedures to avoid such violations in the future. Nevertheless,
7 Respondent continues to operate the same type of business that
8 resulted in all the formal administrative proceedings listed
9 above, and there is evidence that the overall business practices
10 remain largely unchanged.

11 Section 2911(m). New and different social and business
12 relationships from those which existed at the time of the
13 conduct that is the basis for denial of the departmental action
14 sought.

15 Respondent has presented no evidence of any change in
16 the business relationships that existed at the time of the
17 violation which resulted in revocation of Respondent's license.

18 Section 2911(n). Change in attitude from that which
19 existed at the time of the conduct in question as evidenced by
20 any or all of the following: (1) Testimony of applicant; (2))
21 Evidence from family members, friends or other persons familiar
22 with applicant's previous conduct and with his subsequent
23 attitudes and behavioral patterns. (3) Evidence from probation
24 or parole officers or law enforcement officials competent to
25 testify as to applicant's social adjustments. (4) Evidence
26 from psychiatrists or other persons competent to testify with
27 regard to neuropsychiatric or emotional disturbances.

1 (5) Absence of subsequent felony or misdemeanor convictions that
2 are reflective of an inability to conform to societal rules when
3 considered in light of the conduct in question.

4 Respondent has presented inadequate evidence of any
5 change in attitude from that resulting in the violations
6 referred to above. In response to item 4 in Respondent's
7 petition ("Have you ever been a defendant in any civil court
8 litigation, including small claims court? If yes, give details
9 below. In addition, please provide certified copies of all
10 complaints and judgments. Failure to provide these documents
11 will cause a delay in processing your petition application.

12 Note: concealing any court action may be grounds to deny your
13 petition. Attach additional sheets, if necessary."), Respondent
14 answered "yes", but disclosed only a single small claims action.
15 Respondent failed to disclose the following additional civil
16 court actions in which Respondent was named as a defendant:

17 1. On December 13, 1980, in the San Mateo County
18 Superior Court, Case No. 248347, a civil complaint was filed by
19 Barrie L. Breier et al. against Respondent.

20 2. On October 31, 1986, in the San Mateo County
21 Superior Court, Case No. 312725, a civil complaint was filed by
22 Douglas R. Hanson against Respondent.

23 3. On February 3, 1987, in the San Mateo County
24 Superior Court, Case No. 315173, a civil complaint was filed by
25 Lita Evangelista against Respondent.

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1 4. On April 16, 1987, in the San Mateo County
2 Superior Court, Case No. 316073, a civil complaint was filed by
3 Wilson Kam Ho Tam et al. against Respondent.

4 5. On October 29, 1993, in the San Mateo County
5 Superior Court, Case No. 385642, a civil complaint was filed by
6 Ellen Scardigli et al. against Respondent.

7 6. On January 23, 2002, in the San Mateo County
8 Superior Court, Case No. CIV420247, a civil complaint was filed
9 by John Lynch against Respondent.

10 7. On March 22, 2002, in the United States
11 Bankruptcy Court, Northern District of California, Case No.
12 02-3050-TC, an Adversary Complaint For Avoidance And Recovery
13 was filed by Charles E. Sims, Trustee of the bankruptcy estate
14 of EIC Group, Inc., against Respondent and others.

15 8. On September 24, 2003, in the San Mateo County
16 Superior Court, Case No. CIV434310, a civil complaint was filed
17 by Jeffrey S. Risberg against Respondent.

18 The failure to disclose these civil actions reflects a
19 lack of diligence and candor.

20 Consequently, I am not satisfied that Respondent is
21 sufficiently rehabilitated to justify reinstatement of
22 Respondent's real estate broker license.

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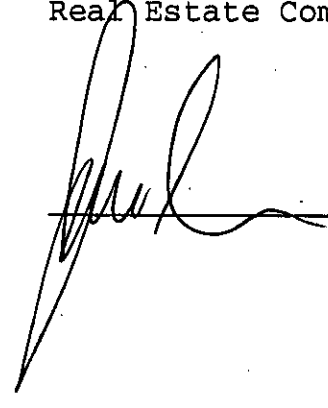
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NOW, THEREFORE, IT IS ORDERED that Respondent's
petition for reinstatement of his real estate broker license is
denied.

This Order shall become effective at 12 o'clock
noon on JUN 10 2008, 2008.

DATED: 5-19, 2008.

JEFF DAVI
Real Estate Commissioner



1 Department of Real Estate
2 P. O. Box 187000
3 Sacramento, CA 95818-7000

4 Telephone: (916) 227-0789

FILED
OCT 25 2005

DEPARTMENT OF REAL ESTATE

By *[Signature]*

8
9 BEFORE THE DEPARTMENT OF REAL ESTATE

10 STATE OF CALIFORNIA

11 * * *

12 In the Matter of the Accusation of) DRE No. H-8008 SF
13 CHEN CHI WANG,) OAH No. N-2001110381
14 Respondents.)
15

16 ORDER REINSTATING DECISION AFTER DENIAL OF WRIT OF MANDATE

17 * * *

18 On May 1 and 9, 2002, in Oakland, California, Mary-
19 Margaret Anderson, Administrative Law Judge, Office of
20 Administrative Hearings, State of California, heard this matter.

21 James L. Beaver, Counsel, represented Complainant.
22 Thomas C. Lasken, Attorney at Law, represented Respondent Chen
23 Chi Wang ("Respondent Licensee").

24 The matter was submitted on August 6, 2002 following
25 the submission of closing briefs by counsel for the parties.

26 ///

27 DRE No. H-8008 SF

CHEN CHI WANG

1 On September 13, 2002, the Administrative Law Judge
2 issued a Proposed Decision (herein "Proposed Decision")
3 sustaining the allegations of the Accusation filed herein
4 October 17, 2001 (herein "Accusation") and proposing revocation
5 of Respondent Licensee's restricted broker license.

6 On October 9, 2002, the Real Estate Commissioner issued
7 a Decision (herein "Decision of October 9, 2002") which adopted
8 the Proposed Decision effective November 6, 2002.

9 On December 5, 2002, a Verified Petition For Writ of
10 Administrative Mandate was filed by Respondent Licensee against
11 the Real Estate Commissioner in the Superior Court of the State
12 of California, County of Sacramento, Case No. 02CS01857.

13 On November 21, 2003, the "Court's Ruling On Petition
14 For Writ Of Mandate" was filed in Sacramento County Superior
15 Court Case No. 02CS01857 granting the Respondent Licensee's
16 petition for writ of mandate. On December 29, 2003, the "Judgment
17 On Petition For Writ Of Mandate" was filed in Sacramento County
18 Superior Court Case No. 02CS01857 ordering issuance of a
19 Peremptory Writ of Mandate requiring the Commissioner to vacate
20 the Decision of October 9, 2002 and issue a new decision
21 consistent with the findings of the Court, and said Writ was
22 thereupon issued January 7, 2004.

24 On January 20, 2004, a Notice of Appeal was filed on
25 behalf of the Commissioner in Sacramento County Superior Court
26 Case No. 02CS01857.

1 On July 20, 2004, an Order was issued in Sacramento
2 County Superior Court Case No. 02CS01857 granting Respondent
3 Licensee's motion for relief from stay of execution of the
4 aforesaid "Judgment On Petition For Writ Of Mandate".

5 On September 2, 2004, in Case No. H-7548 SF, the
6 Commissioner issued his "Order Vacating Decision After Issuance
7 Of Writ of Mandate", effective on issuance, vacating the Decision
8 of October 9, 2002.

9 On June 14, 2005, pursuant to remittitur issued by the
10 Court of Appeal, Third Appellate District, in Case No. C045937,
11 the cause was remanded to the Sacramento County Superior Court,
12 Case No. 02CS01857, and the Superior Court's stay of execution,
13 effective only during the pendency of the appeal, expired as a
14 matter of law.

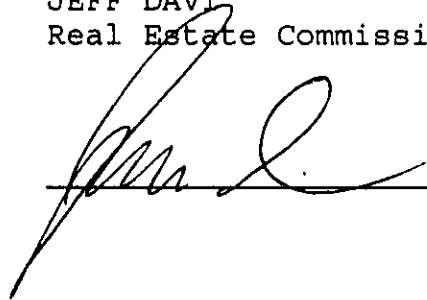
15 On September 13, 2005, in Sacramento County Superior
16 Court Case No. 02CS01857, the Court issued its "Final Order
17 Denying Petition For Writ of Mandate", thereby vacating the
18 Judgment of January 29, 2003, vacating the Writ issued on
19 January 7, 2004, and denying in its entirety the Petition For
20 Writ of Mandate.

21 NOW, THEREFORE, IT IS HEREBY ORDERED that the "Order
22 Vacating Decision After Issuance Of Writ of Mandate" issued
23 herein September 2, 2004 be and hereby is vacated, and the
24 Decision of October 9, 2002 be and hereby is reinstated in its
25 entirety.
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This Order is effective immediately.

IT IS SO ORDERED 10-24-05

JEFF DAVI
Real Estate Commissioner



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3 Sacramento, CA 95818-7000
4 Telephone: (916) 227-0789

FILED
AUG 11 2004

DEPARTMENT OF REAL ESTATE

By Laurie A. Z...

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

11
12 In the Matter of the Accusation of) DRE No. H-8008 SF
13 CHEN CHI WANG,) OAH No. N-2001110381
14 Respondents.)
15

16 ORDER VACATING DECISION AFTER ISSUANCE OF WRIT OF MANDATE

17 * * *

18 On May 1 and 9, 2002, in Oakland, California, Mary-
19 Margaret Anderson, Administrative Law Judge, Office of
20 Administrative Hearings, State of California, heard this matter.

21 James L. Beaver, Counsel, represented Complainant.
22 Thomas C. Lasken, Attorney at Law, represented Respondent Chen
23 Chi Wang ("Respondent Licensee").

24 The matter was submitted on August 6, 2002 following
25 the submission of closing briefs by counsel for the parties.

26 On September 13, 2002, the Administrative Law Judge
27

DRE No. H-8008 SF

CHEN CHI WANG

1 issued a Proposed Decision (herein "Proposed Decision")
2 sustaining the allegations of the Accusation filed herein October
3 17, 2001 (herein "Accusation") and proposing revocation of
4 Respondent Licensee's restricted broker license.

5 On October 9, 2002, the Real Estate Commissioner issued
6 a Decision (herein "Decision of October 9, 2002") which adopted
7 the Proposed Decision effective November 6, 2002.

8 On December 5, 2002, a Verified Petition For Writ of
9 Administrative Mandate was filed by Respondent Licensee against
10 the Real Estate Commissioner in the Superior Court of the State
11 of California, County of Sacramento, Case No. 02CS01857.

12 On November 21, 2003, the "Court's Ruling On Petition
13 For Writ Of Mandate" was filed in Sacramento County Superior
14 Court Case No. 02CS01857 granting the Respondent Licensee's
15 petition for writ of mandate. On December 29, 2003, the "Judgment
16 On Petition For Writ Of Mandate" was filed in Sacramento County
17 Superior Court Case No. 02CS01857 ordering issuance of a
18 Peremptory Writ of Mandate requiring the Commissioner to vacate
19 the Decision of October 9, 2002 and issue a new decision
20 consistent with the findings of the Court, and said writ was
21 thereupon issued January 7, 2004.

22 On January 20, 2004, a Notice of Appeal was filed on
23 behalf of the Commissioner in Sacramento County Superior Court
24 Case No. 02CS01857.
25

26 On July 20, 2004, an Order was issued in Sacramento
27

1 County Superior Court Case No. 02CS01857 granting Respondent
2 Licensee's motion for relief from stay of execution of the
3 aforesaid "Judgment On Petition For Writ Of Mandate".

4 NOW, THEREFORE, IT IS HEREBY ORDERED that the Decision
5 of October 9, 2002 be and hereby is vacated, and further
6 proceedings herein on the Accusation be and hereby are abated
7 pending final determination on the Commissioner's appeal from the
8 aforesaid "Judgment On Petition For Writ Of Mandate".

9 This Order shall become effective forthwith.

10 IT IS SO ORDERED August 5, 2004.

11
12 JOHN R. LIBERATOR
13 Acting Real Estate Commissioner

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FILED

OCT 16 2002

DEPARTMENT OF REAL ESTATE

Paula Reddish

8

BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)
) NO. H-8008 SF
 CHEN CHI WANG,)
) OAH NO. N-2001110381
 Respondent.)
_____)

DECISION

The Proposed Decision dated September 13, 2002, of the Administrative Law Judge of the Office of Administrative Hearings is hereby adopted as the Decision of the Real Estate Commissioner in the above-entitled matter.

This Decision shall become effective at 12 o'clock noon
on NOVEMBER 6, 2002. *October 9*
IT IS SO ORDERED *September 7*, 2002.

PAULA REDDISH ZINNEMANN
Real Estate Commissioner

Paula Reddish

1

BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation Against:

CHEN CHI WANG,

Respondent.

Case No. H-8008

OAH No. N2001110381

PROPOSED DECISION

Administrative Law Judge Mary-Margaret Anderson, State of California, Office of Administrative Hearings, heard this matter on May 1, 2002, in Los Angeles and on May 9, 2002, in Oakland, California.

James L. Beaver, Real Estate Counsel III, represented Complainant, Janice Waddell, a Deputy Real Estate Commissioner.

Thomas C. Lasken, Attorney at Law, and Edgardo Gonzales, Attorney at Law, represented Respondent Chen Chi Wang, who was present.

Complainant's closing and reply briefs were marked as Exhibits 23 and 24. Respondent's closing brief was marked Exhibit E.

The matter was deemed submitted on August 6, 2002.

FACTUAL FINDINGS

Evidentiary Ruling

1. At hearing, Respondent's objection to admission of Complainant's Exhibits 15-22, a group of grant deeds executed in 1989 and 1990, was taken under submission. The objection is sustained on the grounds of relevancy.

Preliminary Matters

2. Complainant Janice Waddell filed the Accusation in her official capacity as a Deputy Real Estate Commissioner of the State of California.

3. Respondent was originally licensed as a real estate broker in California on November 1, 1971. At all times herein mentioned he was either licensed and/or had license rights pursuant to Part 1 of Division 4 of the Business and Professions Code¹.

General Background

4. In 1982, Respondent incorporated EIC Group, Inc. (EIC). Respondent was the president and Victoria Wang, his wife, was the secretary. Respondent and Mrs. Wang owned, controlled and operated EIC. Respondent was its designated officer until July 14, 1995, when the license expired. From that point forward, Respondent held only an individual real estate broker's license.

Over the years, Respondent and/or EIC bought and sold thousands of parcels of land. EIC has over 10,000 transaction files and employed as many as 50 people at one time, not including real estate licensees.

5. A specialized report (commonly called a "public report") issued by the Department is required by law to sell certain types of real estate, including lots and fractionalized interests in subdivisions. In 1987, Respondent and Mrs. Wang mapped and obtained a public report covering Tract 40824 near Lancaster. On December 28, 1988, the Department issued an original final subdivision public report. It authorized Respondent and Mrs. Wang to offer for sale, negotiate sales and sell the twelve lots in the subdivision. The report expired December 27, 1993.

6. From June 21, 1989 until January 3, 1990, Respondent and Mrs. Wang sold either whole lots or undivided interests in lots in Tract 40824. Some of the Purchasers executed deeds of trust in favor of the Wangs. Respondent and Mrs. Wang assigned some of the lots and mortgages to EIC in payment for shares of stock they received when the corporation was formed.

7. EIC coordinated the collection and remittance of property taxes of the lots, many of which had multiple owners. At one time, EIC managed the tax payments for approximately 2000 parcels.

Prior Discipline and Orders

8. On April 14, 1992, the Real Estate Commissioner served an order² upon EIC, Respondent individually and as EIC's designated officer, and Victoria R. Wang. The order was based upon a finding by the Department that Respondent had violated sections 11010 and 11018.2. All parties were ordered to desist and refrain from selling or leasing or offering for sale or lease, any units, lots or parcels or other interests in any subdivision without first obtaining a public report from the Department.

¹ All statutory references are to the Business and Professions Code.

² Case No. H-25044 LA.

On May 28, 1993, the order was modified to exempt transactions pursuant to section 11000.1(b).

9. Effective August 20, 1998, the Commissioner revoked³ Respondent's license for violation of section 10137 in conjunction with section 10177(d). Respondent was charged with employing an unlicensed individual to perform real estate sales activities that require a license. Respondent resolved the Accusation by stipulation, without admissions. He was granted a restricted license, subject to specified terms and conditions, including continuing education requirements.

10. On June 29, 2000, the Commissioner served another order⁴ upon EIC, Respondent and Mrs. Wang. It was based upon a finding by the Department that the parties sold lots in subdivisions in violation of section 11018.2. It ordered those named to desist and refrain from selling or leasing or offering for sale or lease, any lot or parcel in any subdivision, except pursuant to a subdivision public report authorizing the action, or until Respondent complied with an alternative requirement.

On February 6, 2001, the Department filed a First Amended Order to Desist and Refrain. More detail is included in this document. It reiterates the basic order, but provides that it is in force until Respondent has:

1. Complied with Section 11018.2 of the Code and Section 2801.5 of the Regulations;
2. Obtained a conditional public report authorizing you to sell or lease lots or undivided interests in lots in the Subdivision;
3. Submitted proof acceptable to the commissioner demonstrating that you have provided a copy of the conditional public report and a reasonable opportunity for rescission to each person who purchased or contracted to purchase a lot in the subdivision after expiration of the original final public report.

Respondents requested a hearing to contest the order.

On July 27, 2001 a Stipulation and Agreement on Order to Desist and Refrain was filed in the matter. Respondents waived their right to a hearing, without making admissions. It was agreed that a Statement of Mitigation be added to the Department's file on Respondent's license. In pertinent part, it states:

- The Wangs acknowledge that the FAO⁵ sets forth certain actions that the DRE considers to be violations of the law;

³ Case No. H-7548 SF.

⁴ Case No. H-28606 LA.

⁵ First Amended Order to Desist and Refrain

- The transactions described in the FAO were undertaken solely by EIC Group, which is now bankrupt;
- The Wangs promise not to sell or offer to sell subdivision lots and/or undivided interests in lots in violation of Business and Professions Code section 11018.2 and 10 C.C.R. section 2801.5.

11. On October 22, 2001, the Commissioner issued an Order suspending Respondent's restricted license. The suspension was based upon an allegation that Respondent had violated section 11018.2.

This hearing followed.

Rollerson-Lorenzana Transaction

12. In 1990, Respondent sold five undivided interests in Lot 4 of Tract 40824 in Los Angeles County. Clarence Rollerson and Josephina Lorenzana (Purchasers) each purchased an interest. The sale was financed in part by a deed of trust in favor of EIC. The sales documents were executed by Respondent as President of EIC⁶ and by Mrs. Wang.

On January 5, 1998, EIC assigned the deed of trust to Respondent and Mrs. Wang, husband and wife. Purchasers were directed by Respondent to make payments to Respondent and Mrs. Wang personally and not to EIC.

Purchasers made their property tax payments to EIC and EIC made the payments to the county tax collector.

At some point, EIC foreclosed on the other owners, giving it a 40% interest in Lot 4.

13. On January 10, 2000, Los Angeles County notified EIC that Lot 4 was going to be sold on March 13, 2000, due to a tax delinquency of \$8,319.59. On January 26, 2000, EIC sent a letter to Purchasers notifying them. It is unsigned, but states it is from the "Tax Department." The letter directs Purchasers to send cashier's checks for their proportionate share of the delinquent taxes to the County.

On February 6, 2000, Purchasers wrote to EIC's Accounting Manager, Oscar Alvarez. They informed him that they were not delinquent with their portion. They offered to cure the entire delinquency in exchange for EIC's 40% interest in the property.

14. Mr. Alvarez testified that he had discussed in general with Respondent how they should handle cases involving unpaid taxes. Alvarez understood that a sale to the co-owners would be acceptable so long as EIC received something for its interest.

⁶ Although Respondent signed the deed as President of EIC, this was clearly in error, as Respondent and his wife owned the property personally.

On February 18, 2000, Alvarez wrote a letter to Purchasers with the following offer:

EIC Group will gift you its 40% undivided interest provided that: 1) you cure the entire delinquent tax bill to save the land, and 2) you accept a \$6,000 additional amount to your existing note balance with the same monthly payments and interest rate until paid in full...

The above offer is void and null if not accepted by February 28, 2000 via fax with your endorsement below.

Purchasers accepted this offer by signing the letter as directed and paying the tax bill in full.

15. On July 18, 2000, Purchasers wrote to Alvarez complaining that the transaction had not been completed.

On August 4, 2000, Alvarez presented a grant deed to Respondent and told him what it was. Respondent signed the instrument, which conveyed EIC's 40% interest in Lot 4 to Purchasers. The documents were recorded October 12, 2000 at EIC's request.

16. In the meantime, on March 30, 2000, EIC filed for bankruptcy protection. EIC acted as debtor in possession and carried on the firm's business until July 31, 2000, when a trustee was appointed. The trustee took control of the bank accounts, but otherwise left Respondent to continue the ordinary business. The trustee was not consulted about the transaction with Purchasers and was not aware of it until after the fact.

Respondent's Evidence

17. Respondent testified that in 2000, EIC was experiencing a great deal of financial pressure. He had been advised to file for bankruptcy due to large tax liabilities. He was very busy during this time trying to save the corporation by selling assets. He both relied upon and deferred to his staff during this period.

Staff always gave him stacks of documents to sign- a few to one dozen at one time. They were then given to a notary on staff for notarization. He told staff they must review the documents, as he had no time to look at them in detail, as this was impossible for one human being. Respondent relied particularly upon Oscar Alvarez, who was very trustworthy and dutiful.

Respondent acknowledged that he signed the deed, but testified that he has no memory of the deal or of signing the actual document.

18. Respondent testified that he was born in 1932 in Taiwan and immigrated in 1958 to San Francisco. Shortly after marrying in 1965, he and his wife decided that the real estate field could provide the means to financial security following retirement.

19. Respondent testified that he remembers meeting in 1993 with the Real Estate Commissioner, staff counsel and others regarding the issuance of public reports. He believes the meeting was helpful and remembers the participants fondly, as they were trying to help correct the problem.

Respondent also testified that he had acquired properties contiguous to each other by accident, and that the subdivision was very difficult to control.

Respondent emphasized that he never intended to violate any law or willfully commit error.

20. Regarding the issuance of his acquisition of a restricted license in 1998, Respondent stated that he didn't take it very seriously. He did not want to spend the money to defend the accusation and so he settled.

Presently, Respondent wants to retain his license because it is a matter of honor. He does not feel that he did anything to warrant further discipline, unless, however, it could be explained to him otherwise.

APPLICABLE LAW

The following statutes are relevant in this matter:

1. 11000(a): 'Subdivided lands' and 'subdivision' refer to improved or unimproved land or lands, wherever situated within California, divided or proposed to be divided for the purpose of sale or lease or financing, whether immediate or future, into five or more lots or parcels.

2. 11000.1(a): 'Subdivided lands' and 'subdivision' as defined by Sections 11000 and 11004.5, also include improved or unimproved land or lands, a lot or lots, or a parcel or parcels, of any size, in which, for the purpose of sale or lease or financing, whether immediate or future, five or more undivided interests are created or are proposed to be created.

3. 10177(d): [A licensee may be disciplined if he or she] Willfully disregarded or violated the Real Estate Law... or the rules and regulations of the commissioner for the administration and enforcement of the Real Estate Law...

4. 11018.2: No person shall sell or lease, or offer for sale or lease in this state any lots or parcels in a subdivision without first obtaining a public report from the Real Estate Commissioner.

5. 11019(b): Upon receipt of [a desist and refrain order] the person or persons to whom the order is directed shall immediately discontinue activities in accordance with the terms of the order.

LEGAL CONCLUSIONS

1. The public report authorizing the sale of interests in Lot 4 of Tract 40824 in Los Angeles County expired in 1993. On August 3, 2000, an interest Lot 4 was sold. The owner of the interest was EIC, a corporation. EIC therefore violated section 11018.2.

Respondent was a licensed real estate broker in 2000. He had previously been served with two orders to desist and refrain from violating section 11018.2. Respondent therefore violated sections 10177(d) and 11019(b).

The fact that Respondent sold the interest and signed the grant deed in his capacity as president of a corporation makes no difference in this instance. Respondent was a licensed real estate broker at the time. He committed an act that was a violation of the real estate law. He is therefore subject to license discipline for that act.

2. There exist several factors in mitigation. The sale was to co-owners, who had held interests in the property for ten years. They presumably knew what they were buying. Further, the sale was initiated by Purchasers and negotiated by someone other than Respondent.

The factors in aggravation, however, are more compelling. On its face, the deed Respondent signed states that it is conveying two undivided 20% interests. Respondent is a very sophisticated real estate professional. He conducted a large-scale real estate company for many years. In addition, Respondent was under specific orders to desist and refrain from selling undivided interests without a public report *and* his license was restricted due to a previous finding of illegal conduct.

In addition, Respondent's testimony was not impressive. No doubt Respondent was very busy in 2000. Press of business, however, is not an excuse. For whatever reason, Respondent continues to appear not to take his responsibilities as a real estate licensee seriously.

3. It is extremely important that real estate licensees possess the character traits of honesty and integrity and be sincerely and actively committed to adhering to real estate law and regulations. The potential for public harm is enormous. There was no "victim," in

the traditional sense, in the instant matter. However, the Commissioner need not wait for a member of the public to be harmed to take action regarding a licensee who is either unwilling or unable to follow the law. All things considered it is concluded that the public interest requires the revocation of Respondent's license.

ORDER

The real estate broker's license issued to Chen Chi Wang is revoked.

DATED: September 13, 2002



MARY-MARGARET ANDERSON
Administrative Law Judge
Office of Administrative Hearings

FILED

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

FEB 22 2002

DEPARTMENT OF REAL ESTATE

Laurie L. Zim

In the Matter of the Accusation of

CHEN CHI WANG,

}

Case No. H-8008 SF

OAH No. N-2001110381

Respondent

FIRST AMENDED
NOTICE OF HEARING ON ACCUSATION

To the above named respondent:

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 on WEDNESDAY, MAY 1, 2002 (1 DAY), at the hour of 10:00 A.M. or as soon thereafter as the matter can be heard, and at the OFFICE OF ADMINISTRATIVE HEARINGS, 1515 CLAY STREET, SUITE 206, OAKLAND, CA 94612 on THURSDAY, MAY 9, 2002 (1 DAY), 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.

Dated: FEBRUARY 22, 2002

DEPARTMENT OF REAL ESTATE

By *James L. Beaver*
JAMES L. BEAVER

FILED

BEFORE THE DEPARTMENT OF REAL ESTATE STATE OF CALIFORNIA DEC 11 2001

DEPARTMENT OF REAL ESTATE

By Laurie L. Zin

In the Matter of the Accusation of

CHEN CHI WANG,

}

Case No. H-8008 SF

OAH No. N-2001110381

Respondent

CORRECTED NOTICE OF HEARING ON ACCUSATION

To the above named respondent:

You are hereby notified that a hearing will be held before the Department of Real Estate at THE OFFICE OF ADMINISTRATIVE HEARINGS, 1515 CLAY STREET, SUITE 206, OAKLAND, CA 94612 on MONDAY, JANUARY 14, 2002, 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.

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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: DECEMBER 11, 2001

By

James L. Beaver / JAMES L. BEAVER, Counsel (12)

**BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA**

FILED
NOV 29 2001

DEPARTMENT OF REAL ESTATE

By Laurie G. Zini

In the Matter of the Accusation of

CHEN CHI WANG,

}
}

Case No. H-8008 SF

OAH No. N-2001110381

Respondent

NOTICE OF HEARING ON ACCUSATION

To the above named respondent:

You are hereby notified that a hearing will be held before the Department of Real Estate at **THE OFFICE OF ADMINISTRATIVE HEARINGS, 1515 CLAY STREET, SUITE 206, OAKLAND, CA 94612** on **WEDNESDAY, JANUARY 14, 2002**, 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.

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DEPARTMENT OF REAL ESTATE

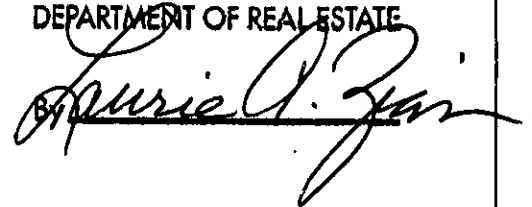
Dated: NOVEMBER 29, 2001

By James L. Beaver
JAMES L. BEAVER, Counsel (CZ)

1 JAMES L. BEAVER, Counsel (SBN 60543)
2 DEPARTMENT OF REAL ESTATE
3 P. O. Box 187000
4 Sacramento, CA 95818-7000
5 Telephone: (916) 227-0789
6 (916) 227-0788 (Direct)
7

FILED
OCT 17 2001

DEPARTMENT OF REAL ESTATE



8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of) No.: H-8008 SF
12 CHEN CHI WANG,) ACCUSATION
13 Respondent.)
14

15 The Complainant, Janice Waddell, a Deputy Real Estate
16 Commissioner of the State of California, for cause of Accusation
17 against CHEN CHI WANG (hereinafter "Respondent"), is informed
18 and alleges as follows:

19 I

20 The Complainant, Janice Waddell, a Deputy Real Estate
21 Commissioner of the State of California, makes this Accusation
22 in her official capacity.

23 II

24 At all times herein mentioned, Respondent was and now
25 is licensed and/or has license rights under the Real Estate Law
26 (Part 1 of Division 4 of the Business and Professions Code)
27 (hereinafter "the Code") as a real estate broker.

1
2 III

3 At all times herein mentioned, Respondent was and now
4 is licensed by the Department of Real Estate of the State of
5 California (hereinafter "the Department") as a real estate
6 broker. At all times mentioned herein since August 20, 1998,
7 the license of Respondent has been and now is a restricted real
8 estate broker license subject to terms, conditions and
9 restrictions pursuant to Sections 10156.6 and 10156.7 of the
10 Code.

11 IV

12 At all times herein mentioned, Respondent engaged in
13 the business of, acted in the capacity of, advertised, or
14 assumed to act as a real estate broker within the State of
15 California within the meaning of Section 10131(a) of the Code,
16 including the operation and conduct of a real estate sales
17 brokerage with the public wherein, on behalf of others, for
18 compensation or in expectation of compensation, Respondent sold
19 and offered to sell, bought and offered to buy, solicited
20 prospective sellers and purchasers of, solicited and obtained
21 listings of, and negotiated the purchase and sale of real
22 property.

23 V

24 At all times mentioned herein, Respondent was the
25 owner and/or subdivider and/or the agent of the owners and/or
26 subdividers of subdivided lands as defined in Sections 11000
27 and/or 11000.1 of the Code.

///

1
2 VI

3 Said subdivided lands, known as or commonly called
4 Tract No. 40824, Los Angeles, County, California, as shown on
5 the map thereof filed in Book 1101 of Maps, page 16, Official
6 Records, Los Angeles County, California (hereinafter "the
7 Subdivision"), contains twelve lots on 120 acres in Los Angeles
8 County at Avenue F-8 and 85th Street East, approximately eight
9 and one-half miles from Lancaster, California. The Subdivision
10 is identified in the records of the Department under the
11 Department's File Number 062390 LA.

12 VII

13 On or about December 28, 1988, in File Number 062390
14 LA F00, the Department issued to Respondent an original final
15 subdivision public report (hereinafter "the original final
16 public report") authorizing Respondent to offer for sale,
17 negotiate the sale and sell lots in the Subdivision. The
18 original final public report expired December 27, 1993, and has
19 not been amended, extended or renewed.

20 VIII

21 On April 14, 1992, in Case No. H-25044 LA, based on
22 the determination by the Real Estate Commissioner that
23 Respondent had violated Sections 11010 and 11018.2 of the Code,
24 the Real Estate Commissioner duly entered, filed and served upon
25 Respondent his order requiring Respondent to desist and refrain
26 from selling or leasing or offering for sale or lease any units,
27 lots or parcels or other interests in any subdivision in
California without first applying for and obtaining a public

1 report from the Department covering said subdivision, unless
2 said transactions are within the exemptions of Section
3 11000.1(b) of the Business and Professions Code. At all times
4 mentioned herein said Order To Desist And Refrain in Case No.
5 H-25044 LA was in full force and effect.

6
7 IX

8 On or about June 12, 2000, in Case No. H-28606 LA,
9 based on the determination by the Real Estate Commissioner that
10 Respondent had violated Section 11018.2 of the Code, the Real
11 Estate Commissioner duly entered, filed and served upon
12 Respondent her order requiring Respondent to desist and refrain
13 from selling or leasing or offering for sale or lease, within
14 the State of California, any lot or parcel in any subdivision,
15 except pursuant to a subdivision public report from the
16 Department authorizing the sale or lease of said subdivided
17 lands, or until Respondent complied with such alternative
18 requirement which the Commissioner might deem appropriate. At
19 all times mentioned herein said Order to Desist And Refrain in
20 Case No. H-28606 LA, was in full force and effect.

21 X

22 At all times mentioned herein between on or about
23 January 1, 2000 and on or about October 12, 2000, after the
24 expiration of the original final public report in File Number
25 062390 LA F00, while the Order To Desist And Refrain in Case No.
26 H-25044 LA and the Order to Desist and Refrain in Case No.
27 H-28606 LA were in full force and effect, and without having
first obtained an amended final public report authorizing

1 Respondent to sell lots or units in the Subdivision, as required
2 by Section 11018.2 of the Code, Respondent, within the State of
3 California, offered for sale, negotiated for sale, and sold lots
4 and/or undivided interests in lots in the Subdivision, including
5 but not limited to the lots and/or undivided interests in lots
6 in the Subdivision tabulated below to the purchasers tabulated
7 below on or about the dates tabulated below:

<u>DATE</u>	<u>INTEREST</u>	<u>LOT</u>	<u>PURCHASER(S)</u>
10/12/00	20%	4	Clarence W. Rollerson
10/12/00	20%	4	Josefina M. Lorenzana

11
12 XI

13 At no time mentioned herein were any of the
14 transactions described in Paragraph X, above, within the
15 exemptions of Section 11000.1(b) of the Business and Professions
16 Code.

17 XII

18 In acting as described in Paragraphs IV through XI,
19 inclusive, above, Respondent violated and willfully disregarded
20 the provisions of Sections 11018.2 and 11019(b) of the Code.

21 XIII

22 The acts and omissions of Respondent described above
23 constitute cause for the suspension or revocation of all
24 licenses and license rights of Respondent pursuant to the
25 provisions of Sections 11018.2 and 11019(b) of the Code in
26 conjunction with Section 10177(d) of the Code.

27 ///

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1
2 PRIOR DISCIPLINARY PROCEEDINGS

3 XIV

4 Effective August 20, 1998, in Case No. H-7548 SF, the
5 Real Estate Commissioner revoked the real estate broker license
6 of Respondent for violation of Section 10137 of the Code in
7 conjunction with Section 10177(d) of the Code, but granted
8 Respondent the right to the issuance of a restricted real estate
9 broker license, subject to terms, conditions and restrictions
10 pursuant to Sections 10156.6 and 10156.7 of the Code.

11 WHEREFORE, Complainant prays that a hearing be
12 conducted on the allegations of this Accusation and that upon
13 proof thereof a decision be rendered imposing disciplinary
14 action against all licenses and license rights of Respondent
15 under the Real Estate Law (Part 1 of Division 4 of the Business
16 and Professions Code) and for such other and further relief as
17 may be proper under other applicable provisions of law.

18
19 
20 JANICE WADDELL
21 Deputy Real Estate Commissioner

22 Dated at Los Angeles, California,
23 this 26 day of September, 2001.
24
25
26
27