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DEPARTMENT OF REAL ESTATE

By Anne Shannon

Department of Real Estate
P.O. Box 187007
Sacramento, CA 95818-7007
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BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)
MORMAX CORPORATION, AND JOSEPH)
TAK WONG,)
Respondent.)

No. H-9176 SF

STIPULATION AND
AGREEMENT

It is hereby stipulated by and between MORMAX
CORPORATION, AND JOSEPH TAK WONG (hereafter Respondents), and
the Complainant, acting by and through Truly Sughrue, Counsel
for the Department of Real Estate, as follows for the purpose
of settling and disposing the Accusation filed on April 12,
2005 in this matter:

1. All issues which were to be contested and all
evidence which was to be presented by Complainant and Respondents
at a formal hearing on the Accusation, which hearing was to be
held in accordance with the provisions of the Administrative
Procedure Act (APA), shall instead and in place thereof be
submitted solely on the basis of the provisions of this

1 Stipulation and Agreement.

2 2. Respondents have received, read and understand the
3 Statement to Respondent, and the Discovery Provisions of the APA
4 filed by the Department of Real Estate in this proceeding.

5 3. On May 4, 2005, Respondents filed a Notice of
6 Defense pursuant to Section 11505 of the Government Code for the
7 purpose of requesting a hearing on the allegations in the
8 Accusation. Respondents hereby freely and voluntarily withdraw
9 said Notice of Defense. Respondents acknowledge that they
10 understand that by withdrawing said Notice of Defense they will
11 thereby waive their rights to require the Commissioner to prove
12 the allegations in the Accusation at a contested hearing held in
13 accordance with the provisions of the APA, and that they will
14 waive other rights afforded to them in connection with the
15 hearing such as the right to present evidence in defense of the
16 allegations in the Accusation and the right to cross-examine
17 witnesses.

18 4. Respondents, pursuant to the limitations set forth
19 below, hereby admit that the factual allegations pertaining to
20 them in Paragraphs I through VI of the Accusation filed in this
21 proceeding are true and correct and the Real Estate Commissioner
22 shall not be required to provide further evidence of such
23 allegations.

24 5. Without admitting the truth of the allegations
25 contained in the remaining paragraphs of the Accusation,
26 Respondents stipulate that they will not interpose a defense
27 thereto. This Stipulation is based on the factual allegations

1 contained in the Accusation. In the interests of expedience and
2 economy, Respondents choose not to contest the allegations, but
3 to remain silent, and understand that, as a result thereof, these
4 factual allegations, without being admitted or denied, will serve
5 as a basis for the disciplinary action stipulated to herein. The
6 Real Estate Commissioner shall not be required to provide further
7 evidence to prove said factual allegations.

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

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

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1 * * *

2 DETERMINATION OF ISSUES

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

7 The acts and/or omissions of Respondents MORMAX
8 CORPORATION, and JOSEPH TAK WONG as stipulated above violate
9 Section 10176(f), and 10240 of the California Business and
10 Professions Code (hereinafter the Code), and Sections 2742, and
11 2715 of Title 10, California Code of Regulations, and constitute
12 grounds for disciplinary action under the provisions of Section
13 10177(d) of the Code.

14 * * *

15 ORDER

16 I

17 A. All real estate license(s) and license rights of Respondent
18 MORMAX CORPORATION (hereinafter MORMAX) are revoked.

19 B. A restricted real estate broker license shall be issued to
20 Respondent MORMAX pursuant to Section 10156.6 of the Code if
21 Respondent MORMAX makes application therefor and pays to the
22 Department the appropriate fee for said license within ninety
23 (90) days of the effective date of the Order.

24 C. The restricted license issued to Respondent MORMAX shall be
25 subject to all of the provisions of Section 10156.7 of the
26 Business and Professions Code and to the following conditions
27

1 and limitations imposed under authority of Section 10156.6 of
2 said Code:

- 3 1) Respondent MORMAX shall, prior to and as a condition of
4 the issuance of said restricted license, submit proof
5 satisfactory to the Commissioner of having the corporate
6 powers rights and privileges reinstated as alleged in
7 Paragraph VII of the Accusation.
- 8 2) The restricted license issued to Respondent MORMAX may be
9 suspended prior to hearing by order of the Real Estate
10 Commissioner in the event of Respondent's conviction or
11 plea of nolo contendere to a crime which bears a
12 substantial relationship to Respondent's fitness or
13 capacity as a real estate licensee.
- 14 3) The restricted license may be suspended prior to hearing
15 by Order of the Real Estate Commissioner on evidence
16 satisfactory to the Commissioner that Respondent MORMAX
17 has violated provisions of the California Real Estate
18 Law, the Subdivided Lands Law, Regulations of the Real
19 Estate Commissioner or conditions attaching to the
20 restricted license.
- 21 4) Respondent MORMAX shall not be eligible to apply for the
22 issuance of an unrestricted real estate license, nor the
23 removal of any of the conditions of the restricted
24 license, until two (2) years have elapsed from the
25 effective date of this Order.
- 26
27

II

A. All real estate license(s) and license rights of Respondent JOSEPH TAK WONG (hereinafter WONG) are revoked.

B. A restricted real estate broker license shall be issued to Respondent WONG pursuant to Section 10156.6 of the Code if Respondent WONG makes application therefor and pays to the Department the appropriate fee for said license within ninety (90) days of the effective date of the Order.

C. The restricted license issued to Respondent WONG shall be subject to all of the provisions of Section 10156.7 of the Business and Professions Code and to the following conditions and limitations imposed under authority of Section 10156.6 of said Code:

1) The restricted license issued to Respondent WONG may be suspended prior to hearing by order of the Real Estate Commissioner in the event of Respondent's conviction or plea of nolo contendere to a crime which bears a substantial relationship to Respondent's fitness or capacity as a real estate licensee.

2) The restricted license may be suspended prior to hearing by Order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that Respondent WONG has violated provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of the Real Estate Commissioner or conditions attaching to the restricted license.

1 3) Respondent WONG shall not be eligible to apply for the
2 issuance of an unrestricted real estate license, nor the
3 removal of any of the conditions of the restricted
4 license, until two (2) years have elapsed from the
5 effective date of this Order.

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

19 E. Respondent WONG shall, within six (6) months from the
20 effective date of this Decision, take and pass the
21 Professional Responsibility Examination administered by the
22 Department including the payment of the appropriate
23 examination fee. If Respondent WONG fails to satisfy this
24 condition, the Commissioner may order suspension of the
25 restricted license until Respondent WONG passes the
26 examination.

28-Sept-05
DATEDTRULY SUGHRUE
Counsel for Complainant

* * *

I have read the Stipulation and Agreement, and its terms are understood by me and are agreeable and acceptable to me. I understand that I am waiving rights given to me by the California Administrative Procedure Act, and I willingly, intelligently and voluntarily waive those rights, including the right of requiring the Commissioner to prove the allegations in the Accusation at a hearing at which I would have the right to cross-examine witnesses against me and to present evidence in defense and mitigation of the charges.

7/18/05
DATEDMORMAX by Joseph Tak Wong
MORMAX CORPORATION
Respondent7/18/05
DATEDJoseph Tak Wong
JOSEPH TAK WONG
Respondent

* * *

The foregoing Stipulation and Agreement is hereby adopted as my Decision and shall become effective at 12 o'clock noon on December 12, 2005.

IT IS SO ORDERED 10 - 24, 2005.JEFF DAVI
Real estate Commissioner

1 TRULY SUGHRUE, Counsel
2 State Bar No. 223266
3 Department of Real Estate
4 P.O. Box 187007
5 Sacramento, CA 95818-7007
6
7 Telephone: (916) 227-0781

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8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)

No. H- 9176 SF

12 MORMAX CORPORATION, AND JOSEPH)

ACCUSATION

13 TAK WONG,)

14 Respondent.)

15
16 The Complainant, E. J. HABERER II, a Deputy Real Estate
17 Commissioner of the State of California, for cause of Accusation
18 against MORMAX CORPORATION, AND JOSEPH TAK WONG (herein
19 "Respondents"), is informed and alleges as follows:

20 I

21 The Complainant, E. J. HABERER II, a Deputy Real Estate
22 Commissioner of the State of California, makes this Accusation in
23 his official capacity.

24 II

25 Respondents are presently licensed and/or has license
26 rights under the Real Estate Law (Part 1 of Division 4 of the
27 Business and Professions Code) (herein "the Code").

1 III

2 At all times herein mentioned, MORMAX CORPORATION,
3 (hereafter MORMAX) was and is licensed by the State of California
4 Department of Real Estate (hereafter Department) as a real estate
5 broker corporation.

6 IV

7 At all times herein mentioned, Respondent JOSEPH TAK
8 WONG, (hereafter WONG) was and is licensed by the Department as
9 the designated broker officer of MORMAX.

10 V

11 At all times herein mentioned, Respondents engaged in
12 activities on behalf of others for which a real estate license is
13 required, for or in expectation of compensation.

14 VI

15 Beginning in January 13, 2005, the Department conducted
16 an audit of the above business activities of MORMAX for the time
17 period of January 1, 2004 through December 31, 2004.

18 VII

19 On or about February 1, 2004, the corporate powers,
20 rights and privileges of Respondent MORMAX have been suspended
21 pursuant to the provisions of the Revenue and Taxation Code, in
22 violation of Section 2742 of the Regulations.

23 VIII

24 MORMAX in connection with the mortgage loan brokerage
25 activities described in Paragraph V, failed to present to said
26 borrowers, before said borrowers become obligated to complete
27 the loan, a statement signed by the borrower and the broker with

1 the contents set forth in Section 10241 of the Code, in
2 violation of Section 10240 of the Code.

3 IX

4 Within the three-year period immediately preceding the
5 filing of this Accusation MORMAX, in connection with the
6 mortgage loan brokerage activities described in Paragraph V,
7 Respondent failed to notify the Commissioner within the next
8 business day that MORMAX had closed his main office located at
9 388 9th Street, Suite 257, Oakland, California, and opened a new
10 main office located at 345 9th Street, Suite 306, Oakland,
11 California as required by Section 2715 of the Regulations.

12 X

13 On or about May 23, 2004, in the course of the
14 activities described in Paragraph V, MORMAX entered into a
15 written agreement (hereinafter "the agreement") whereby seller
16 granted MORMAX exclusive employment and authorization to sell and
17 offer to sell, solicit prospective purchasers of, and negotiate
18 the purchase and sale of a business opportunity owned by seller
19 identified as "14461 Kings Court, San Leandro, California". The
20 agreement did not contain a definite, specified date of final and
21 complete termination as required by Section 10176(f) of the Code.

22 XI

23 The facts alleged above are grounds for the suspension
24 or revocation of Respondents licenses and license rights under
25 the following sections of the Code and Regulations:

26 (1) As to Paragraph VII, under Section 10177(d) of
27 the Code in conjunction with Section 2742 of the Regulations;

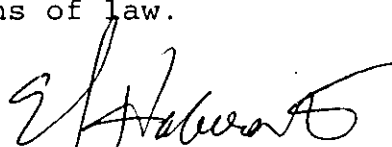
1 (2) As to Paragraph VIII, under Section 10240 of the
2 Code;

3 (3) As to Paragraph IX, under Section 10177(d) of the
4 Code in conjunction with Section 2715 of the Regulations;

5 (4) As to Paragraph X, under Section 10176(f) of the
6 Code;

7 In the alternative, the acts and/or omissions of WONG
8 described above, constitute failure on the part of WONG, as
9 designated broker-officer for MORMAX, to exercise reasonable
10 supervision and control over the licensed activities of MORMAX
11 required by Section 10159.2 of the Code, and is cause for the
12 suspension or revocation of WONG's license and/or license rights
13 under Section 10177(h) of the Code.

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

21
22 
23 E. J. HABERER II
Deputy Real Estate Commissioner

24 Dated at Sacramento, California,
25 this 6 day of April, 2005
26
27