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BUREAU OF REAL ESTATE

By R dew

Bureau of Real Estate
P.O. Box 137007
Sacramento, CA 95813-7007

Telephone: (916) 263-8672

BEFORE THE BUREAU OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of

FLOWCASH INVESTMENT INC., and
YONG GANG HU,

Respondents.

No. H-11888 SF

STIPULATION AND
AGREEMENT

It is hereby stipulated by and between FLOWCASH INVESTMENT INC., and YONG GANG HU (Respondents), represented by Joshua A. Rosenthal, and the Complainant, acting by and through Truly Sughrue, Counsel for the Bureau of Real Estate (Bureau), as follows for the purpose of settling and disposing the Accusation filed on September 29, 2015, 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 Stipulation and Agreement.

2. Respondents have received, read, and understand the Statement to Respondent, and the Discovery Provisions of the APA filed by the Bureau in this proceeding.

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

10 4. This stipulation is based on the factual allegations contained in the
11 Accusation. In the interest of expediency and economy, Respondents choose not to contest these
12 factual allegations, but to remain silent and understand that, as a result thereof, these factual
13 statements will serve as a prima facie basis for the "Determination of Issues" and "Order" set
14 forth below. The Commissioner shall not be required to provide further evidence to prove such
15 allegations.

16 5. This Stipulation and Agreement and Respondents' decision not to contest
17 the Accusation are made for the purpose of reaching an agreed disposition of this proceeding and
18 are expressly limited to this proceeding and any other proceeding or case in which the Bureau,
19 the state or federal government, an agency of this state, or an agency of another state is involved.

20 6. Respondents understand that by agreeing to this Stipulation and
21 Agreement, Respondents agree to pay, pursuant to Section 10148 of the California Business and
22 Professions Code (Code), the cost of the audit, which resulted in the determination that
23 Respondents committed the trust fund violation(s) found in the Determination of Issues. The
24 amount of said costs is \$6,620.30.

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1 7. Respondents further understand that by agreeing to this Stipulation and
2 Agreement, the findings set forth below in the Determination of Issues become final, and that
3 the Commissioner may charge said Respondents for the costs of any audit conducted pursuant to
4 Section 10148 of the Code to determine if the violations have been corrected. The maximum
5 costs of said audit shall not exceed \$6,620.30.

6 8. Respondents understand that by agreeing to this Stipulation and
7 Agreement, Respondents agree to pay, pursuant to Section 10106 of the Code, the cost of the
8 investigation and enforcement which resulted in the determination that Respondent committed
9 the violation(s) found in the Determination of Issues. The amount of said costs is \$1,047.50.

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

17 10. The Order or any subsequent Order of the Commissioner made pursuant to
18 this Stipulation and Agreement shall not constitute an estoppel, merger, or bar to any further
19 administrative or civil proceedings by the Bureau with respect to any matters which were not
20 specifically alleged to be causes for action in Accusation H-11888 SF.

21 * * *

22 DETERMINATION OF ISSUES

23 By reason of the foregoing stipulations and waivers and solely for the purpose of
24 settlement of the pending Accusation without a hearing, it is stipulated and agreed that the
25 following determination of issues shall be made:
26
27

The acts and omissions of Respondents as described in the First Cause of Action of the Accusation are grounds for the suspension or revocation of Respondents' licenses and license rights under the following sections of the Code and Title 10 of the California Code of:

As to Paragraphs 11(a) and 11(b), under Section 10177(d) of the Code in conjunction with Section 10145 of the Code and Section 2832.1 of the Regulations;

As to Paragraph 11(c), under Section 10177(d) of the Code in conjunction with Section 10145 of the Code and Section 2832 of the Regulations;

As to Paragraph 11(d), under Section 10177(d) of the Code in conjunction with Section 2831 of the Regulations;

As to Paragraph 11(e), under Section 10177(d) of the Code in conjunction with Section 2831.1 of the Regulations;

As to Paragraph 11(f), under Section 10177(d) of the Code in conjunction with Section 2831.2 of the Regulations; and

As to Paragraph 12, under Section 10177(d) of the Code in conjunction with Section 10140.6 of the Code and Section 2773 of the Regulations.

* * *

ORDER

I

All licenses and licensing rights of Respondent FLOWCASH INVESTMENT INC. (FCI) under the Real Estate Law are revoked; provided, however, a restricted real estate corporate license shall be issued to FCI pursuant to Section 10156.5 of the Code if FCI makes application therefor and pays to the Bureau the appropriate fee for the restricted license within 90 days from the effective date of this Decision and Order. The restricted license issued to FCI shall be subject to all of the provisions of Section 10156.7 of the Code and to the following limitations, conditions and restrictions imposed under authority of Section 10156.6 of that Code:

1. The restricted license issued to FCI may be suspended prior to hearing by

Order of the Commissioner on evidence satisfactory to the Commissioner that FCI has violated

provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of the Commissioner, or conditions attaching to the restricted license.

2. FCI shall not be eligible to petition for the issuance of any unrestricted real
estate license nor for removal of any of the conditions, limitations or restrictions of a restricted
license until two (2) years have elapsed from the effective date of this Decision and Order. FCI
shall not be eligible to apply for any unrestricted licenses until all restrictions attaching to the
license have been removed.

II

All licenses and licensing rights of Respondent YONG GANG HU (HU) under the Real Estate Law are revoked; provided, however, a restricted real estate broker license shall be issued to HU pursuant to Section 10156.5 of the Code if HU makes application therefor and pays to the Bureau the appropriate fee for the restricted license within 90 days from the effective date of this Decision and Order. The restricted license issued to HU shall be subject to all of the provisions of Section 10156.7 of the Code and to the following limitations, conditions and restrictions imposed under authority of Section 10156.6 of that Code:

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

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

3. HU shall not be eligible to petition for the issuance of any unrestricted real
estate license nor for removal of any of the conditions, limitations or restrictions of a restricted
license until two (2) years have elapsed from the effective date of this Decision and Order. HU
shall not be eligible to apply for any unrestricted licenses until all restrictions attaching to the
license have been removed.

4. HU shall, within nine (9) months from the effective date of this Decision
and Order, present evidence satisfactory to the Commissioner that Respondent has, since the most recent issuance of an original or renewal real estate license, taken and successfully completed the continuing education requirements of Article 2.5 of Chapter 3 of the Real Estate Law for renewal of a real estate license. If HU fails to satisfy this condition, HU's real estate license shall automatically be suspended until HU presents evidence satisfactory to the Commissioner of having taken and successfully completed the continuing education requirements. Proof of completion of the continuing education courses must be delivered to the Bureau of Real Estate, Flag Section at P.O. Box 137013, Sacramento, CA 95813-7013.

5. All licenses and licensing rights of HU are indefinitely suspended unless
or until HU provides proof satisfactory to the Commissioner, of having taken and successfully
completed the continuing education course on trust fund accounting and handling specified in
paragraph (3) of subdivision (a) of Section 10170.5 of the Code. Proof of satisfaction of this
requirement includes evidence that HU has successfully completed the trust fund accounting and
handling continuing education course, no earlier than 120 days prior to the effective date of the
Decision and Order in this matter. Proof of completion of the trust fund accounting and handling
course must be delivered to the Bureau of Real Estate, Flag Section at P.O. Box 137013,
Sacramento, CA 95813-7013 or by fax at 916-263-8758, prior to the effective date of this
Decision Order.

III

1. Pursuant to Section 10148 of the Code, Respondents shall jointly and severally pay the sum of \$6,620.30 for the Commissioner's cost of the audit which led to this disciplinary action. Respondents shall pay such cost within sixty (60) days of receiving an invoice therefore from the Commissioner. Payment of audit costs should not be made until Respondents receive the invoice. If Respondents fail to satisfy this condition in a timely manner as provided for herein, Respondents' real estate licenses shall automatically be suspended until payment is made in full, or until a decision providing otherwise is adopted following a hearing

1 held pursuant to this condition.

2 2. Pursuant to Section 10148 of the Code, Respondents shall jointly and
3 severally pay the Commissioner's reasonable cost, not to exceed \$6,620.30, for an audit to
4 determine if Respondents have corrected the violation(s) found in the Determination of Issues.
5 In calculating the amount of the Commissioner's reasonable cost, the Commissioner may use the
6 estimated average hourly salary for all persons performing audits of real estate brokers, and shall
7 include an allocation for travel time to and from the auditor's place of work. Respondents shall
8 pay such cost within sixty (60) days of receiving an invoice therefore from the Commissioner.
9 Payment of the audit costs should not be made until Respondents receive the invoice. If
10 Respondent fails to satisfy this condition in a timely manner as provided for herein, Respondents'
11 real estate license shall automatically be suspended until payment is made in full, or until a
12 decision providing otherwise is adopted following a hearing held pursuant to this condition.

13 3. All licenses and licensing rights of Respondents are indefinitely
14 suspended unless or until Respondents pays the sum of \$1,047.50 for the Commissioner's
15 reasonable cost of the investigation and enforcement which led to this disciplinary action. Said
16 payment shall be in the form of a cashier's check made payable to the Bureau of Real Estate.
17 The investigative and enforcement costs must be delivered to the Bureau of Real Estate, Flag
18 Section at P.O. Box 137013, Sacramento, CA 95813-7013, prior to the effective date of this
19 Decision and Order.

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21 28 Jan-16
22 DATED


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24 TRULY SUGHRUE
25 Counsel for Complainant

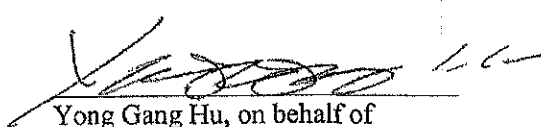
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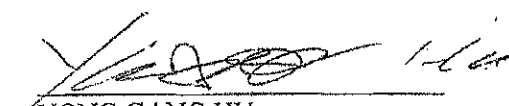
1 Respondents can signify acceptance and approval of the terms and conditions of
2 this Stipulation and Agreement by faxing or electronically e-mailing a copy of the signature page,
3 as actually signed by Respondents, to the Bureau at fax number (916) 263-3767 or
4 truly.sughrue@dca.ca.gov. Respondents agree, acknowledges, and understands that by
5 electronically sending to the Bureau a fax or other electronic copy of Respondents' actual
6 signature as it appears on the Stipulation and Agreement, that receipt of the faxed or e-mailed
7 copy by the Bureau shall be as binding on Respondents as if the Bureau had received the original
8 signed Stipulation and Agreement.

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

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17 1128116
18 DATED


Yong Gang Hu, on behalf of
FLOWCASH INVESTMENT INC.
Respondent

19
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21 1128116
22 DATED


YONG GANG HU
Respondent

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25 *I have reviewed the Stipulation and Agreement as to form and content and have*
26 *advised my client accordingly.*
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DATED 1/28/16



JOSHUA A. ROSENTHAL
Attorney for Respondents

* * *

The foregoing Stipulation and Agreement is hereby adopted as my Decision and
shall become effective at 12 o'clock noon on APR 22 2016

IT IS SO ORDERED MARCH 24, 2016

WAYNE S. BELL
REAL ESTATE COMMISSIONER


By: JEFFREY MASON
Chief Deputy Commissioner