

FILED

JUN 30 2017

BUREAU OF REAL ESTATE

By H. Diaz

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BEFORE THE BUREAU OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of)	
)	NO. H- 12116 SF
YUAN CORPORATION,)	
and ALEXANDER Y. YUAN,)	
)	<u>ACCUSATION</u>
Respondents.)	
)	

The Complainant, ROBIN S. TANNER, a Supervising Special Investigator of the State of California for cause of Accusation against YUAN CORPORATION (YC) and ALEXANDER Y. YUAN aka Y.D. YUAN (YUAN), sometimes collectively referred to as "RESPONDENTS", is informed and alleges as follows:

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The Complainant makes this Accusation in her official capacity.

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At all times herein mentioned, YC was and is presently licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code (the Code) by the Bureau of Real Estate (the Bureau) as a corporate real estate broker doing business as AA Group.

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YUAN is presently licensed and/or has license rights under the Code, as a real estate broker.

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At all times herein mentioned, YUAN was licensed by the Bureau as the designated officer of YC. As the designated officer, YUAN was responsible, pursuant to Section 10159.2 of the Code, for the supervision of the activities of the officers, agents, real estate licensees and employees of YC for which a real estate license is required.

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Within the three year period prior to filing of this Accusation, the corporate powers, rights and privileges of YC were suspended by the Secretary of State for the State of California on or about January 1, 2014, and continuing to the present time without reinstatement, pursuant to the California Revenue and Taxation Code.

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Whenever reference is made in an allegation in this Accusation to an act or omission of YC, such allegation shall be deemed to also mean that YUAN committed such act or omission while engaged in furtherance of the business or operation of YC, and while acting within the course and scope of his employment.

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At all times mentioned, RESPONDENTS engaged in the business of, acted in the capacity of, advertised or assumed to act as a real estate broker in the State of California, within the meaning of Section 10131(a) of the Code, including the operation and conduct of a residential resale brokerage wherein RESPONDENTS bought, sold, or offered to buy or sell, solicited or obtained listings of, and negotiated the purchase, sale or exchange of real property or business opportunities, all for or in expectation of compensation.

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1 FIRST CAUSE OF ACTION

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3 Complainant refers to Paragraphs 1 through 7, above, and incorporates them
4 herein, by reference.

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6 In or about May 2014, RESPONDENTS agreed to represent Umanahesh and
7 Arupama M. (buyers) and Shao Yun W. (seller) for the purchase of that certain real property
8 commonly known as 37084 Dusterberry Way, Fremont, California. (Dusterberry Property)

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10 On or about July 2, 2014, escrow closed on the purchase of the Dusterberry
11 Property.

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13 RESPONDENTS received a commission of \$8,837.50 on the Dusterberry
14 Property transaction.

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16 The facts alleged above violate Sections 2742(c) (corporate status with Secretary
17 of State) of the Regulations and Sections 10130 (unlicensed activity), 10176(a) (material
18 misrepresentation), 10176(c) (continued, flagrant course of misrepresentation) and 10176(i)
19 (other conduct/fraud or dishonest dealing) of the Code, and are grounds for the suspension or
20 revocation of the licenses and license rights of RESPONDENTS under Sections 10176(a),
21 10176(c), 10176(i), 10177(d) (willfully disregard real estate law) , and 10177(g)
22 (negligence/incompetence of licensee) of the Code.

23 SECOND CAUSE OF ACTION

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25 Complainant refers to Paragraphs 1 through 12 above, and incorporates them
26 herein, by reference.

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On or about July 9, 2014, RESPONDENTS agreed to represent Meng Shui L. and Ai Ping Z. (sellers) for the purchase of that certain real property commonly known as 1045 Glenhill Drive, Fremont, California. (Glenhill Property)

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On or about July 21, 2014, escrow closed on the purchase of the Glenhill Property.

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RESPONDENTS received a commission of \$34,500.00 on the Glenhill Property transaction.

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The facts alleged above violate Sections 2742(c) of the Regulations and Sections 10130, 10176(a), 10176(c) and 10176(i) of the Code, and are grounds for the suspension or revocation of the licenses and license rights of RESPONDENTS under Sections 10176(a), 10176(c), 10176(i), 10177(d) and 10177(g) of the Code.

THIRD CAUSE OF ACTION

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Complainant refers to Paragraphs 1 through 17 above, and incorporates them herein, by reference.

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On or about July 31, 2014, RESPONDENTS agreed to represent Lin Z. (seller) for the purchase of that certain real property commonly known 6220 Lafayette, Newark, California. (Lafayette Property)

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On or about August 1, 2014, escrow closed on the purchase of the Lafayette Property.

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RESPONDENTS received a commission of \$13,250.00 on the Lafayette Property transaction.

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The facts alleged above violate Sections 2742(c) of the Regulations and Sections 10130, 10176(a), 10176(c) and 10176(i) of the Code, and are grounds for the suspension or revocation of the licenses and license rights of RESPONDENTS under Sections 10176(a), 10176(c), 10176(i), 10177(d) and 10177(g) of the Code.

FOURTH CAUSE OF ACTION

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Complainant refers to Paragraphs 1 through 7, above, and incorporates them herein, by reference.

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On or about May 10, 2016, Yuan submitted an Officer Renewal Application, (Application) to the BRE. To the question "Is the corporation currently in good standing with the office of secretary of state?" YUAN answered "Yes".

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At the time YUAN completed and submitted the Application, he knew that the Secretary of State had suspended the Corporate Status of YC on or about January 2, 2014.

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The facts alleged in Paragraphs 24 and 25, above, violate Sections, 10176(a) and 10176(i) of the Code, and are grounds for the suspension or revocation of the licenses and license rights of RESPONDENTS under Sections 10176(a), 10176(i), 10177(d) and 10177(g) of the Code.

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1 FIFTH CAUSE OF ACTION

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3 Complainant refers to Paragraphs 1 through 26, above, and incorporates them
4 herein by reference.

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6 At all times herein above mentioned, YUAN was responsible as the designated
7 officer for YC, for the supervision and control of the activities conducted on behalf of YC'S
8 business by its employees. YUAN failed to exercise reasonable supervision and control over the
9 real estate activities of YC. In particular, YUAN permitted, ratified and/or caused the conduct
10 described above, to occur, and failed to take reasonable steps, including but not limited to
11 handling of trust funds, supervision of employees, and the implementation of policies, rules, and
12 systems to ensure the compliance of the business with the Real Estate Law and the Regulations.

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14 The above acts and/or omissions of YUAN violate Section 2725 (broker
15 supervision) of the Regulations and Section 10159.2 (responsibility designated office), and
16 constitute grounds for disciplinary action under the provisions of Section 10177(d) and 10177(h)
17 (broker supervision) of the Code.

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19 COSTS OF INVESTIGATION AND ENFORCEMENT

20 Section 10106 of the Code provides, in pertinent part, that in any order issued in
21 resolution of a disciplinary proceeding before the Bureau, the commissioner may request the
22 administrative law judge to direct a licensee found to have committed a violation of this part to
23 pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

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