



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

8 I

9 One of the conditions attaching to Respondent's  
10 present restricted license is that said license could be  
11 suspended prior to hearing by Order of the Real Estate  
12 Commissioner on evidence satisfactory to the Commissioner  
13 that he had violated provisions of the California Real Estate  
14 Law.

15 II

16 On or about April 14, 1995, an audit was completed  
17 by the Department of the books and records of Respondent and  
18 his activities requiring a real estate license covering a  
19 period from May 1, 1992, to February 28, 1995. That audit  
20 revealed that: (1) Respondent's trust account was not in his  
21 name as trustee (2) Respondent failed to maintain a separate  
22 record for each loan transaction accounting for credit report  
23 and appraisal fees collected by him (3) Respondent failed to  
24 reconcile records maintained pursuant to Section 2831 of  
25 Chapter 6, Title 10, California Code of Regulations  
26 (Regulations) with records maintained pursuant to Section  
27 2831.1 of the Regulations and (4) Respondent failed to  
prepare and provide approved Borrower Disclosure Statements

1 to all borrowers in a timely manner and failed to disclose to  
2 all borrowers any rebates received by him from lenders. Said  
3 violations are in violation of Sections 2830, 2831.1, 2831.2  
4 and 2840 of the Regulations and Section 10240 of the  
5 California Business and Professions Code (Code).

6 III

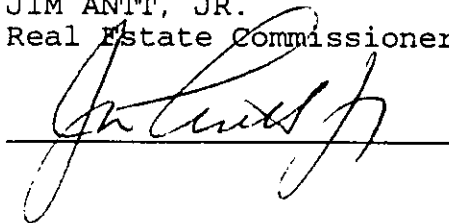
7 The acts and omissions of Respondent, as set forth in  
8 Paragraph II, demonstrate a lack of rehabilitation and is  
9 cause to deny his petition pursuant to Sections 10177(d) and  
10 10177(k) of the Code.

11 NOW, THEREFORE, IT IS ORDERED that Respondent's petition  
12 for reinstatement of license is denied.

13 This Order shall become effective at 12  
14 o'clock noon on January 4, 1996.

15  
16 DATED; 11-27-95

17  
18  
19 JIM ANTT, JR.  
20 Real Estate Commissioner

21   
22

23 DANNY UY LAO  
24 110 E. Holly Street  
Pasadena, California 91103

1 Department of Real Estate  
107 South Broadway, Room 8107  
2 Los Angeles, California 90012  
3 (213) 897-3937

FILED

NOV 19 1992

DEPARTMENT OF REAL ESTATE  
BY K. Schneiderholt

8 DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \* \*

11 In the Matter of the Accusation of ) No. H-24688 LA  
12 DANNY UY LAO, dba )  
13 Southern California Funding, ) STIPULATION AND AGREEMENT  
14 Respondent. ) IN SETTLEMENT AND ORDER

15 It is hereby stipulated by and between DANNY UY LAO,  
16 (sometimes referred to as Respondent) and the Complainant, acting  
17 by and through Robert E. Baker, Counsel for the Department of Real  
18 Estate, as follows for the purpose of settling and disposing of  
19 the Accusation filed on June 25, 1991, in this matter:

20 1. All issues which were to be contested and all  
21 evidence which was to be presented by Complainant and Respondent  
22 at a formal hearing on the Accusation, which hearing was to be  
23 held in accordance with the provisions of the Administrative  
24 Procedure Act (APA), shall instead and in place thereof be  
25 submitted solely on the basis of the provisions of this Stipulation  
26 and Agreement in Settlement.

27 /

1           2. Respondent has received, read and understands the  
2 Statement to Respondent, the Discovery Provisions of the APA and  
3 the Accusation filed by the Department of Real Estate in this  
4 proceeding.

5           3. On October 11, 1991, Respondent 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. Respondent hereby freely and voluntarily withdraws  
9 said Notice of Defense. Respondent acknowledges that he  
10 understands that by withdrawing said Notice of Defense he thereby  
11 waives his right to require the Commissioner to prove the  
12 allegations in the Accusation at a contested hearing held in  
13 accordance with the provisions of the APA and that he will waive  
14 other rights afforded to him in connection with the hearing such  
15 as the right to present evidence in defense of the allegations in  
16 the Accusation and the right to cross-examine witnesses.

17           4. Respondent, pursuant to the limitations set forth  
18 below, hereby admits that the factual allegations of the Accusation  
19 filed in this proceeding are true and correct and the Real Estate  
20 Commissioner shall not be required to provide further evidence of  
21 such allegations.

22           5. It is understood by the parties that the Real  
23 Estate Commissioner may adopt the Stipulation and Agreement as his  
24 decision in this matter thereby imposing the penalty and sanctions  
25 on Respondent's real estate license and license rights as set  
26 forth below in the "Order". In the event that the Commissioner  
27 in his discretion does not adopt the Stipulation and Agreement in



1 Section 10156.5 of the Business and Professions Code if Respondent  
2 makes application therefor and pays to the Department the  
3 appropriate fee for said license within one year from the  
4 effective date of the Decision herein. Immediately upon issuance  
5 of said restricted real estate broker license, Respondent's  
6 license shall be suspended for a period of 10 days.

7 C. Provided, however, pursuant to Respondent's  
8 petition, that all or part of the 10 day suspension of Respondent's  
9 restricted real estate license shall be stayed upon the condition  
10 that Respondent pay to the Department, prior to the date any  
11 restricted license is issued, a penalty of \$100 per day for each  
12 day to be stayed. This condition is predicated on the Real Estate  
13 Commissioner's determination that the public interest and welfare  
14 will be adequately served by permitting Respondent to pay a  
15 monetary penalty to the Department in lieu of an actual suspension.

16 D. The restricted license issued to Respondent shall  
17 be subject to all of the provisions of Section 10156.7 of the Code  
18 and to the following limitations, conditions and restrictions  
19 imposed under authority of Section 10156.6 of said Code:

20 (1) The restricted license may be suspended prior to  
21 hearing by Order of the Real Estate Commissioner in the event of  
22 Respondent's conviction (including conviction on a plea of nolo  
23 contendere) of a crime which bears a significant relation to  
24 Respondent's fitness or capacity as a real estate licensee.

25 (2) The restricted license may be suspended prior to  
26 hearing by Order of the Real Estate Commissioner on evidence  
27 satisfactory to the Commissioner that Respondent has violated

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

4 (3) Respondent shall obey all laws of the United  
5 States, the State of California and its political subdivisions,  
6 and shall further obey and comply with all rules and regulations  
7 of the Real Estate Commissioner.

8 (4) Respondent shall report in writing to the  
9 Department as the Real Estate Commissioner shall direct, by his  
10 decision herein or by separate written order issued while the  
11 restricted license is in effect, such information concerning  
12 Respondent's activities of which a real estate license is required  
13 as the Real Estate Commissioner shall deem to be appropriate to  
14 protect the public interest.

15 (5) Respondent shall not be eligible to apply for the  
16 issuance of an unrestricted real estate license nor the removal  
17 of any of the conditions, limitations or restrictions of the  
18 restricted license until at least one year has elapsed from the  
19 effective date of the Decision.

20 (6) Prior to the issuance of any restricted license,  
21 Respondent shall present evidence satisfactory to the Real Estate  
22 Commissioner that he has, during the last four years, taken and  
23 successfully completed the continuing education requirements of  
24 Article 2.5 of Chapter 3 of the Real Estate Law for renewal of a  
25 real estate license.

26 DATED: October 9, 1992

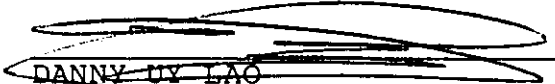
27 Robert E. Baker  
ROBERT E. BAKER  
Counsel for Complainant



1 \* \* \* \*

2 I have read the Stipulation and Agreement in Settlement  
3 and its terms are understood by me and are agreeable and acceptable  
4 to me, I understand that I am waiving rights given to me by the  
5 California Administrative Procedure Act (including but not limited  
6 to Sections 11506, 11508, 11509, and 11513 of the Government Code),  
7 and I willingly, intelligently and voluntarily waive those rights,  
8 including the right of requiring the Commissioner to prove the  
9 allegations in the Accusation at a hearing at which I would have  
10 the right to cross-examine witnesses against me and to present  
11 evidence in defense and mitigation of the charges.

12 DATED: 11-9-92

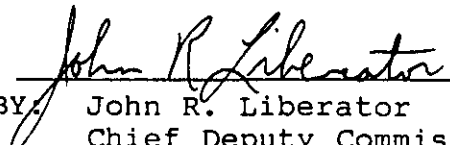
  
DANNY TY LAO  
Respondent

13 \* \* \* \*

14  
15 The foregoing Stipulation and Agreement in Settlement  
16 is hereby adopted as my Decision and Order and shall become  
17 effective at 12 o'clock noon on November 26, 1992.

18  
19 IT IS SO ORDERED November 17, 1992.

20  
21 CLARK WALLACE  
Real Estate Commissioner

22  
23   
24 BY: John R. Liberator  
Chief Deputy Commissioner

SACTO  
PLAS

BEFORE THE  
DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

FILED

JAN 24 1992

DEPARTMENT OF REAL ESTATE  
BY *[Signature]*

In the Matter of the Accusation of

DANNY UY LAO dba  
Southern California Funding

}

Case No. H-24688 LA

OAH No. L-55705

Respondent(s)

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 Office of Administrative Hearings, 314 West First Street, Los Angeles, CA,

on the 4th day of September, 19 92, at the hour of 9:00 a.m., or as soon thereafter as the matter can be heard, upon the charges made in the Accusation served upon you.

You may be present at the hearing, and you may be represented by counsel, but you are neither required to be present at the hearing nor to be represented by counsel. If you are not present in person nor represented by counsel at the hearing, the Department may take disciplinary action against you upon any express admissions, 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. The interpreter must be approved by the hearing officer conducting the hearing as someone who is proficient in both English and the language in which the witness will testify. You are required to pay the costs of the interpreter unless the hearing officer directs otherwise.

DEPARTMENT OF REAL ESTATE

Dated: January 24, 1992

By *Tim Newlove*  
TIMOTHY L. NEWLOVE, Counsel

cc: Danny Uy Lao  
Sacto.  
OAH  
RL

*Sacto  
Hwy*

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TIMOTHY L. NEWLOVE, Counsel  
Department of Real Estate  
107 South Broadway, Room 8107  
Los Angeles, CA 90012  
(213) 620-4790

FILED  
JUN 25 1991

DEPARTMENT OF REAL ESTATE  
BY Laura B. Crane

DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \* \*

In the Matter of the Accusation of )	NO. H- 24688 LA
	)
DANNY UY LAO dba )	A C C U S A T I O N
Southern California Funding, )	
	)
	)
	)
	)
Respondent. )	
_____ )	

The Complainant, Steven J. Ellis, a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against DANNY UY LAO dba Southern California Funding, alleges as follows:

1. The Complainant, Steven J. Ellis, a Deputy Real Estate Commissioner of the State of California, makes this Accusation in his official capacity.
2. Respondent DANNY UY LAO dba Southern California Funding is presently licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the California

1 Business and Professions Code (hereinafter referred to as the  
2 "Code").

3 3. At all times material herein, respondent DANNY UY  
4 LAO (hereinafter LAO") was licensed by the Department of Real  
5 Estate of the State of California (hereinafter "Department") as  
6 a real estate broker.

7 4. All further reference to respondent LAO shall be  
8 deemed to refer to the employees, agents, and real estate  
9 licensees employed by or associated with LAO who at all times  
10 herein mentioned were engaged in the furtherance of the business  
11 or operations of LAO and who were acting within the course and  
12 scope of their authority and employment.

13 5. At all times material herein respondent LAO  
14 engaged in the business of, acted in the capacity of,  
15 advertised, or assumed to act as a real estate broker in the  
16 State of California within the meaning of Section 10131(d) of  
17 the Code, including the operation of a mortgage loan brokerage  
18 business with the public, wherein LAO solicited borrowers and  
19 lenders for and negotiated loans secured by liens on real  
20 property, all for or in expectation of compensation.

21 6. In February, 1991, the Department conducted an  
22 audit of respondent LAO concerning trust fund handling and  
23 record-keeping by LAO in the above-described mortgage loan  
24 brokerage business. The time period covered by said audit was  
25 from September 1, 1990 to and including January 31, 1991, and  
26 unless otherwise mentioned, the relevant period of time  
27 referenced herein shall be the same.

1           7. At all times material herein in connection with  
2 the above-described mortgage loan brokerage business, respondent  
3 LAO received trust funds in the form of credit report and  
4 appraisal fees. Respondent LAO deposited and disbursed said  
5 trust funds into and from a general account and a trust account  
6 entitled Southern California Funding Trust Account (hereinafter  
7 "Lao Trust Account") maintained by respondent.

8           8. Respondent LAO disbursed or allowed the  
9 disbursement of trust funds from the Lao Trust Account without  
10 the prior written consent of every principal who then was an  
11 owner of funds in the said account wherein the disbursements  
12 reduced the balance of funds in the said account as of January  
13 31, 1991 to an amount which was \$21,607 less than the existing  
14 aggregate trust fund liability to all owners of said funds. The  
15 primary cause of this trust fund shortage was the fact that  
16 respondent LAO deposited credit report and appraisal fees into  
17 the general account maintained by respondent while paying bills  
18 for credit reports and appraisals from the Lao Trust Account.

19                           FIRST CAUSE OF ACCUSATION

20           (Violation by respondent LAO of Regulations 2830  
21 and 2832.1 and Sections 10145 and 10177(d) of the Code)

22           9. As a First Cause of Accusation, complainant  
23 incorporates herein by this reference the Preamble and each of  
24 the allegations in Paragraphs 1 through 8 hereinabove.

25           10. The conduct of respondent LAO, in disbursing  
26 trust funds from the Lao Trust Account resulting in a reduction  
27 of the balance of funds in the said account to an amount which

1 was less than the then-existing aggregate trust fund liability  
2 of respondent LAO to the owners of the trust funds in the said  
3 account without the prior written consent of the owners thereof,  
4 and in causing said shortage by depositing trust funds into a  
5 general account maintained by respondent, as described in  
6 Paragraph 8 hereinabove, constitutes a violation of Section  
7 10145 of the Code and Sections 2830 and 2832.1 of Chapter 10 of  
8 the California Code of Regulations (hereinafter "Regulations").  
9 Said conduct and violations are cause to suspend or revoke the  
10 real estate license and license rights of respondent LAO under  
11 the provisions of Section 10177(d) of the Code.

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

20 Dated at Los Angeles, California

21 this 25th day of June, 1991.

22   
23 Deputy Real Estate Commissioner

24  
25 cc: Danny Uy Lao  
26 Sacto.  
27 RL

lbo