

FILED  
JUL 30 2001  
DEPARTMENT OF REAL ESTATE

By Laura B. Jones

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BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

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In the Matter of the Accusation of ) NO. H-27519 LA  
RICHARD C.W. LI, )  
Respondent. )

ORDER DENYING REINSTATEMENT OF LICENSE

On August 19, 1998, a Decision was rendered herein  
revoking the real estate salesperson license of Respondent.

On August 21, 2000, Respondent petitioned for  
reinstatement of said license. Said Petition was subsequently  
withdrawn by Respondent because he had not yet completed the  
term of probation he received from the Court as a result of his  
criminal conviction.

On November 17, 2000, Respondent again petitioned  
for reinstatement of said license and the Attorney General of  
the State of California has been given notice of the filing of  
the petition.

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1 I have considered Respondent's petition and the  
2 evidence and arguments in support thereof. Respondent has  
3 failed to demonstrate to my satisfaction that Respondent has  
4 undergone sufficient rehabilitation to warrant the reinstatement  
5 of Respondent's real estate salesperson license, in that:

6 I

7 In the Decision which revoked the real estate license  
8 of Respondent there was a Determination of Issues made that  
9 there was cause to revoke Respondent's real estate license  
10 pursuant to Business and Professions Code Sections 490 and  
11 10177(b) for conviction of a crime.

12 In 1997 Respondent was convicted of the crime of  
13 False Statement to a Financial Institution. A felony crime  
14 involving moral turpitude which is substantially related to the  
15 qualifications, function and duties of a real estate licensee.

16 The facts underlying said crime resulted from an  
17 incident in 1996 when Respondent operated a mortgage loan  
18 business. Respondent had informed the Federal Deposit Insurance  
19 Corporation(FDIC) that a prospective borrower was employed by a  
20 business owned by Respondent's brother. In truth and in fact  
21 the prospective borrower was not so employed.

22 II

23 Respondent's conviction has not been expunged. This  
24 is cause to deny Respondent's petition pursuant to Section  
25 2911(c) of Title 10, Chapter 6, California Code of Regulations  
26 ("Regulations").  
27

///

1 III

2 Respondent has not submitted proof of completion of,  
3 or sustained enrollment in, formal educational or vocational  
4 training courses. This is cause to deny Respondent's petition  
5 pursuant to Regulation 2911(h).

6 IV

7 The very serious nature of the misconduct which led  
8 to the loss of Respondent's real estate salesperson license,  
9 combined with the facts set forth in Paragraphs II and III,  
10 evidence that not enough time has passed to determine that  
11 Respondent is completely rehabilitated. This is cause to deny  
12 Respondent's petition pursuant to Regulation 2911(a).

13 I am satisfied, however, that it will not be against  
14 the public interest to issue a restricted real estate  
15 salesperson license to Respondent.

16 NOW, THEREFORE, IT IS ORDERED that Respondent's  
17 petition for reinstatement of Respondent's real estate  
18 salesperson license is denied.

19 A restricted real estate salesperson license shall  
20 be issued to Respondent pursuant to Business and Profession  
21 Code ("Code") Section 10156.5 if Respondent makes application  
22 therefor and pays the appropriate fee for said license within  
23 nine (9) months from the date hereof.

24 The restricted license issued to Respondent shall be  
25 subject to all of the provisions of Code Section 10156.7 and to  
26 the following limitations, conditions and restrictions imposed  
27 under authority of Code Section 10156.6:

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

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

12                   3. Respondent shall not be eligible to apply for the  
13 issuance of an unrestricted real estate license nor for the  
14 removal of any of the conditions, limitations or restrictions of  
15 a restricted license until two (2) years have elapsed from the  
16 effective date of this Decision.

17                   4. Respondent shall submit with any application for  
18 license under an employing broker, or with any application for  
19 transfer to a new employing broker, a statement signed by the  
20 prospective employing real estate broker on a form approved by  
21 the Department which shall certify:

22                   (a) That the employing broker has read the Decision  
23 of the Commissioner which granted the right to a restricted  
24 license; and

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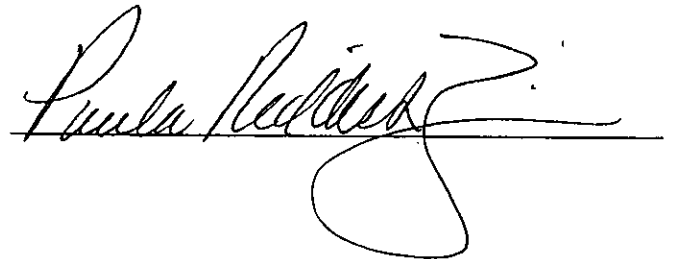
1 (b) That the employing broker will exercise close  
2 supervision over the performance by the restricted licensee  
3 relating to activities for which a real estate license is  
4 required.

5 5. Respondent shall within nine (9) months from the  
6 date hereof, submit evidence satisfactory to the Real Estate  
7 Commissioner that Respondent has, since Respondent's license  
8 was revoked, taken and successfully completed the continuing  
9 education requirements of Article 2.5 of Chapter 3 of the Real  
10 Estate Law for renewal of a real estate license. If Respondent  
11 fails to satisfy this condition, the Commissioner may order the  
12 suspension of the restricted license until the Respondent  
13 presents such evidence. The Commissioner shall afford  
14 Respondent the opportunity for a hearing pursuant to the  
15 Administrative Procedure Act to present such evidence.

16 This Order shall become effective at 12 o'clock noon  
17 on August 20, 2001

18 DATED: July 27, 2001.

19  
20 PAULA REDDISH ZINNEBANN  
Real Estate Commissioner

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22   
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25 cc: Richard C.W. Li  
26 101 E. Adams Avenue  
27 Alhambra, CA 91801

FILED  
 AUG 24 1998  
 DEPARTMENT OF REAL ESTATE

By *[Signature]*

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DEPARTMENT OF REAL ESTATE  
 STATE OF CALIFORNIA

\* \* \* \* \*

In the Matter of the Accusation of )  
 ) No. H-27519 LA  
 RICHARD C.W. LI )  
 ) OAH No. L-1998020285  
 )  
 Respondent. )  
 )

DECISION AFTER REJECTION

A hearing was held in the above-referenced matter on April 1, 1998, before Carolyn D. Magnuson, Administrative Law Judge of the Office of Administrative Hearings, in Los Angeles, California. Respondent, RICHARD C.W. LI ("Respondent"), appeared on his own behalf. Complainant was represented by Martha J. Rosett, Counsel.

Evidence was received, the hearing was closed and the matter was submitted. On April 30, 1998, the Administrative Law Judge submitted her Proposed Decision, which I declined to adopt as my Decision herein. Pursuant to Section 11517(c) of the Government Code of the State of California, Respondent was served

1 with notice of my determination not to adopt the Proposed  
2 Decision of the Administrative Law Judge along with a copy of  
3 said Proposed Decision. Respondent was notified that the case  
4 would be decided by me upon the record, the transcript of  
5 proceedings held on April 1, 1998, and upon any written argument  
6 offered by Respondent. Respondent submitted written argument by  
7 way of a letter dated May 20, 1998, a copy of which was received  
8 by the Department on July 30, 1998.

9 Having given careful consideration to the record in  
10 this case including the transcript of proceedings of April 1,  
11 1998, Respondent's July 30, 1998 argument, and Complainant's  
12 Argument After Rejection, the following shall constitute the  
13 Decision of the Real Estate Commissioner in this proceeding:

14 FINDINGS OF FACT

15 I

16 Complainant Thomas Mc Crady made the Accusation in his  
17 official capacity as a Deputy Real Estate Commissioner of the  
18 State of California.

19 II

20 Respondent RICHARD C.W. LI (hereinafter "Respondent")  
21 is presently licensed and has license rights under the Real  
22 Estate Law as a real estate salesperson. At all times mentioned  
23 herein, he was so licensed. His license will expire on April 26,  
24 2000.

25 III

26 On or about October 6, 1997, in the United States  
27 District Court, Central District of California, Respondent was



1 convicted on his plea of guilty to violating Title 18 United  
2 States Code Sections 1014 and 2(b) (false statement to a financial  
3 institution). This crime is a felony involving moral turpitude  
4 which is substantially related to the qualifications, functions  
5 and duties of a real estate licensee.

6 IV

7 The conviction stemmed from an incident in August of  
8 1996. Respondent operated a mortgage loan business. Respondent  
9 informed the FDIC that a prospective borrower, calling himself,  
10 "Mr. Ed Robles," was employed as a manager by Pinnacle Motors, a  
11 business owned by Respondent's brother. Respondent further  
12 stated that "Ed Robles," had been employed by Pinnacle Motors for  
13 five years and earned \$5,450 per month from this employment. In  
14 fact, Mr. Robles was never employed by Pinnacle Motors. The  
15 individual posing as "Mr. Robles" was in fact employed as an  
16 undercover agent with the Federal Bureau of Investigations.

17 As a result of his conviction, Respondent was placed on  
18 probation for three years and required to make restitution in the  
19 amount of approximately \$3,500.

20 V

21 Respondent is married and has two children. He works  
22 full-time as a real estate salesperson.

23 DETERMINATION OF ISSUES

24 I

25 Cause for discipline of Respondent's license was  
26 established for violation of sections 490 and 10177(b) of the  
27 Business and Professions Code, by reason of findings III and IV.





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II

Less than one year has passed since the underlying conviction, and Respondent has not proven sufficient rehabilitation. Therefore, his continued licensure poses a threat to the public. Respondent's conduct resulting in his criminal conviction involved significant dishonesty and may have been repeated on other occasions when he was not apprehended. This is well below the acceptable standard for a real estate licensee. It would be contrary to the public interest to grant him a restricted license at this time.

ORDER

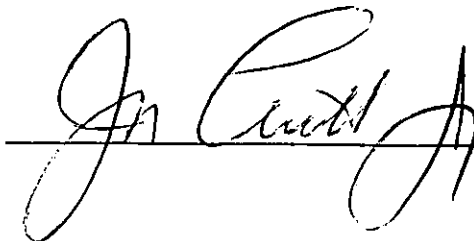
WHEREFORE, THE FOLLOWING ORDER is hereby made:

All license and license rights of Respondent RICHARD C.W. LI under the Real Estate Law are revoked.

This decision shall become effective at 12 o'clock noon on on September 15, 1998.

IT IS SO ORDERED 8/19, 1998.

JIM ANTT, JR.  
Real Estate Commissioner



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**FILED**  
MAY 18 1998  
DEPARTMENT OF REAL ESTATE

By *K. M. ...*

BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of )  
RICHARD C.W. LI, )  
Respondent. )

NO. H-27519 LA  
L-1998020285

NOTICE

TO: Respondent RICHARD C.W. LI.

YOU ARE HEREBY NOTIFIED that the Proposed Decision herein dated April 30, 1998, of the Administrative Law Judge is not adopted as the Decision of the Real Estate Commissioner. A copy of the Proposed Decision dated April 30, 1998, is attached for your information.

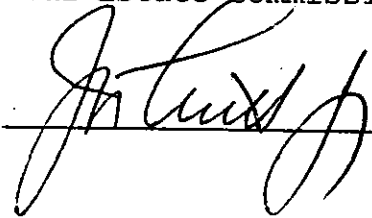
In accordance with Section 11517(c) of the Government Code of the State of California, the disposition of this case will be determined by me after consideration of the record herein including the transcript of the proceedings held on April 1, 1998, and any written argument hereafter submitted on behalf of Respondent and Complainant.

1           Written argument of Respondent to be considered by me  
2 must be submitted within 15 days after receipt of the transcript  
3 of the proceedings of April 1, 1998, at the Los Angeles office of  
4 the Department of Real Estate unless an extension of the time is  
5 granted for good cause shown.

6           Written argument of Complainant to be considered by me  
7 must be submitted within 15 days after receipt of the argument of  
8 Respondent at the Los Angeles office of the Department of Real  
9 Estate unless an extension of the time is granted for good cause  
10 shown.

11           DATED:           5/12/98

JIM ANTT, JR.  
Real Estate Commissioner

  
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BEFORE THE  
DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

In the Matter of the Accusation of	)	Agency Case No. H-27519 LA
	)	
RICHARD C.W. LI,	)	OAH Case No. L-1998020285
	)	
Respondent	)	
<hr style="border: 0.5px solid black;"/>		

PROPOSED DECISION

This matter came on regularly for hearing before Carolyn Dee Magnuson, Administrative Law Judge of the Office of Administrative Hearing on April 1, 1998 in Los Angeles, California.

The complainant was represented by Martha J Rosett, Staff Counsel.

Richard Li, the respondent, appeared personally and represented himself.

Oral and documentary evidence was received, and the matter was submitted for decision.

The Administrative Law Judge makes the following findings of fact:

1. Thomas McCrady, the complainant, made the Accusation in his official capacity as Deputy Real Estate Commissioner of the Department of Real Estate ("Department"), State of California.

2. Richard C.W. Li ("respondent") is presently licensed and/or has license rights under the Real Estate Law as a real estate salesperson. His license is due to expire on April 26, 2000.

3. On October 6, 1997, in the United States District Court, Central District of California, respondent was convicted on his plea of guilty of violating Title 18 United States Code, sections 1014 and 2(b) (false statement to a financial institution), a felony involving moral turpitude which is substantially related to the qualifications, duties and/or functions of a departmental licensee.

4. Respondent was sentenced to one day of imprisonment; ordered to pay a fine of \$3,500; assessed \$100; and placed on three years' supervised probation.

Respondent has paid the monetary assessments and remains on probation until October 2000.

5. The facts and circumstances underlying the conviction are that respondent was working as a loan broker. A real property buyer approached respondent about obtaining a loan, but the buyer was not employed. Respondent arranged with his brother to obtain a false verification of employment for the buyer so that he qualified for a loan.

6. Respondent testified that, prior to his conviction, he did not appreciate the seriousness of providing the false verification. Respondent is now painfully aware of how wrongful his conduct was, and he has admonished acquaintances in the real estate business not to commit similar acts.

7. Respondent indicated that, in the immigrant community in which he worked, many people were extremely anxious to purchase property, even when they could not meet loan qualifications. Respondent testified that, in the past, he thought of providing the necessary documentation for loan approval as being in the nature of helping out friends. However, respondent also strongly indicated that he now views such conduct as being criminal.

8. Respondent testified that his criminal conviction has seriously damaged his family's financial situation and has caused a great deal of personal anguish.

9. Respondent's sister, Anna Li, is a licensed real estate broker. In the past, Ms. Li and respondent have pursued different aspects of real estate and have not worked together. Ms. Li has agreed to supervise respondent's real estate activities, if he is allowed to retain his license, and respondent has indicated that this is an arrangement that he also wishes to implement.

10. Although respondent's conviction is relatively recent and he still remains on probation, it seems highly unlikely that he will ever again engage in similar illegal conduct. Thus, it would be consistent with the public interest to allow respondent to hold a properly conditioned probationary real estate license.

\* \* \* \* \*

Based on the forgoing findings of fact, the Administrative Law Judge makes the following Determination of Issues:

Cause exists under the provisions of Business and Professions Code sections 490 and 10177(b) to discipline respondent's license for being convicted of a crime involving moral turpitude, which is substantially related to respondent's licensed activities.

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\* \* \* \* \*

WHEREFORE, THE FOLLOWING ORDER is hereby made:

The real estate salesperson's license and license rights previously issued to the respondent, Richard Li, are revoked. However, a restricted real estate salesperson's license shall be issued to respondent, pursuant to section 10156.5 of the Business and Professions Code, if respondent makes application therefor and pays to the Department of Real Estate the appropriate fee for the restricted license within 90 days from the effective date of this Decision. The restricted license issued to respondent shall be subject to all of the provisions of section 10156.7 of the Business and Professions 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 respondent 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 is substantially related to respondent's fitness or capacity as a real estate licensee.
2. The restricted license issued to respondent may be suspended prior to hearing by Order of the Real Estate 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 Real Estate Commissioner or conditions attaching to the restricted license.
3. Respondent must successfully complete probation in case number CR 97-2203-RSWL.
4. Respondent shall not be eligible to apply for the issuance of an unrestricted real estate license nor for the removal of any of the conditions, limitations or restrictions of a restricted license until three years have elapsed from the effective date of this Decision.
5. Respondent shall submit with any application for license under an employing broker, or any application for transfer to a new employing broker, a statement, made on a form approved by the Department of Real Estate and signed by the prospective employing real estate broker, which shall certify:
  - a. That the employing broker has read the Decision of the Commissioner which granted the right to a restricted license; and

NOT RECORDED

NOT ADAPTED

- b. That the employing broker will exercise close supervision over the performance by the restricted licensee relating to activities for which a real estate license is required.
6. Respondent shall, within nine months from the effective date of this Decision, present evidence satisfactory to the Real Estate 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 respondent fails to satisfy this condition, the Commissioner may order the suspension of the restricted license until the respondent presents such evidence. The Commissioner shall afford respondent the opportunity for a hearing pursuant to the Administrative Procedure Act to present such evidence.
7. Respondent shall, within six months from the effective date of this Decision, take and pass the Professional Responsibility Examination administered by the Department, including the payment of the appropriate examination fee. If respondent fails to satisfy this condition, the Commissioner may order suspension of respondent's license until respondent passes the examination.
8. While respondent holds a probationary license, he may not engage in any form of loan brokering.

Dated: April 30, 1998



CAROLYN D. MAGNUSON  
Administrative Law Judge  
Office of Administrative Hearings

Sacto  
2/27

BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

FILED  
FEB 27 1998  
DEPARTMENT OF REAL ESTATE

In the Matter of the Accusation of

RICHARD C W LI,

By K. Niederhals

Case No. H-27519 LA

OAH No. L-1998020285

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 \_\_\_\_\_

Office of Administrative Hearings, 107 South Broadway, Second Floor

Los Angeles, CA 90012

on April 1, 1998, at the hour of 1:30 p.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.

DEPARTMENT OF REAL ESTATE

Dated: FEB 27 1998

By Martha J. Wolff Counsel

cc: Richard C W. Li  
Sacto  
OAH  
PM



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MARTHA J. ROSETT, Counsel  
State Bar # 142072  
Department of Real Estate  
107 South Broadway, Room 8107  
Los Angeles, CA 90012  
  
(213) 897-3937

**FILED**  
JAN 22 1998  
DEPARTMENT OF REAL ESTATE

By *K. Niederholt*

DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \* \*

In the Matter of the Accusation of )	No. H-27519 LA
RICHARD C.W. LI, )	<u>A C C U S A T I O N</u>
Respondent. )	
_____ )	

The Complainant, Thomas McCrady, a Deputy Real Estate Commissioner of the State of California, for cause of accusation against RICHARD C.W. LI ("Respondent"), alleges as follows:

I

The Complainant, Thomas McCrady, a Deputy Real Estate Commissioner of the State of California, makes this Accusation in his official capacity.

II

Respondent 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 ("Code") as a real estate salesperson. Said license is due to expire on April 26, 2000.

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III

On or about October 6, 1997, in the United States District Court, Central District of California, Respondent was convicted on his plea of guilty to one count of violating Title 18 United States Code, Sections 1014 and 2(b) (False statement to a financial institution), a felony and a crime involving moral turpitude which bears a substantial relationship under Section 2910, Title 10, California Code of Regulations, to the qualifications, functions or duties of a real estate licensee. At that time, Respondent was sentenced to one (1) day in prison (time served), a fine and three years probation (supervised release).

IV

The facts alleged above constitute cause under Sections 490 and 10177(b) of the Business and Professions Code for suspension or revocation of all licenses and license rights of Respondent under the Real Estate Law.

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WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against all licenses and/or license rights of RICHARD C.W. LI under the Real Estate Law and for such other and further relief as may be proper under applicable provisions of law.

Dated at Los Angeles, California  
this 22nd day of January , 1998.

THOMAS MC CRADY  

---

Deputy Real Estate Commissioner

cc: Richard C.W. Li  
DLL Inc.  
Sacto.  
PM