

1 Department of Real Estate  
320 West Fourth Street, Suite 350  
2 Los Angeles, California 90013-1105

3 Telephone: (213) 576-6982  
4 -or- (213) 576-6910 (Direct)

**FILED**  
NOV - 5 2004  
DEPARTMENT OF REAL ESTATE

5  
6  
7  
8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of )  
12 ST INVESTMENT, INC., a corporation ) DRE No. H-30636 LA  
13 and MICHELE CHAN, individually and ) OAH No. L-2004020106  
14 as designated officer of )  
ST Investment, Inc., ) STIPULATION AND AGREEMENT  
15 Respondents. )

16  
17 It is hereby stipulated by and between ST INVESTMENT,  
18 INC., a corporation (hereinafter "ST") and MICHELE CHAN,  
19 individually and as designated officer of ST Investment, Inc.  
20 (hereinafter "CHAN") (hereinafter sometimes both referred to as  
21 "Respondents"), represented by Frank M. Buda, Esq., and the  
22 Complainant, acting by and through Chris Leong, Counsel for the  
23 Department of Real Estate, as follows for the purpose of settling  
24 and disposing of the Accusation filed on January 21, 2004.

25 1. All issues which were to be contested and all  
26 evidence which was to be presented by Complainant and Respondents  
27 at a formal hearing on the Accusation, which hearing was to be

1 held in accordance with the provisions of the Administrative  
2 Procedure Act, shall instead and in place thereof be submitted  
3 solely on the basis of the provisions of this Stipulation and  
4 Agreement ("Stipulation").

5 2. Respondents have received, read and understand the  
6 Statement to Respondent, the Discovery Provisions of the  
7 Administrative Procedure Act and the Accusation, filed by the  
8 Department of Real Estate in this proceeding.

9 3. Respondents filed Notices of Defense pursuant to  
10 Section 11506 of the Government Code for the purpose of  
11 requesting a hearing on the allegations in the Accusation.  
12 Respondents hereby freely and voluntarily withdraw said Notices  
13 of Defense. Respondents acknowledge that they understand that by  
14 withdrawing said Notices of Defense they will thereby waive their  
15 right to require the Commissioner to prove the allegations in the  
16 Accusation at a contested hearing held in accordance with the  
17 provisions of the Administrative Procedure Act and that  
18 Respondents will waive other rights afforded to them in  
19 connection with the hearing, such as the right to present  
20 evidence in defense of the allegations in the Accusation and the  
21 right to cross-examine witnesses.

22 4. This Stipulation is based on the factual  
23 allegations contained in the Accusation filed in this proceeding.  
24 In the interest of expedience and economy, Respondents choose not  
25 to contest these factual allegations, but to remain silent and  
26 understand that, as a result thereof, these factual statements,  
27

1 will serve as a prima facie basis for the disciplinary action  
2 stipulated to herein. The Real Estate Commissioner shall not be  
3 required to provide further evidence to prove such allegations.

4 5. This Stipulation and Respondents' decision not to  
5 contest the Accusation are made for the purpose of reaching an  
6 agreed disposition of this proceeding and are expressly limited  
7 to this proceeding and any other proceeding or case in which the  
8 Department of Real Estate, or another licensing agency of this  
9 state, another state or if the federal government is involved,  
10 and otherwise shall not be admissible in any other criminal or  
11 civil proceedings.

12 6. It is understood by the parties that the Real  
13 Estate Commissioner may adopt the Stipulation as his decision  
14 in this matter thereby imposing the penalty and sanctions on  
15 Respondents' real estate licenses and license rights as set forth  
16 in the below "Order". In the event that the Commissioner in his  
17 discretion does not adopt the Stipulation, the Stipulation shall  
18 be void and of no effect, and Respondents shall retain the right  
19 to a hearing on the Accusation under all the provisions of the  
20 APA and shall not be bound by any stipulation or waiver made  
21 herein.  
22

23 7. The Order or any subsequent Order of the Real  
24 Estate Commissioner made pursuant to this Stipulation shall not  
25 constitute an estoppel, merger or bar to any further  
26 administrative or civil proceedings by the Department of Real  
27 Estate with respect to any conduct which was not specifically

1 alleged to be causes for accusation in this proceeding.

2 DETERMINATION OF ISSUES

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

7 The acts and omissions of Respondents, described in the  
8 Accusation, is a violation of Section 10148 of the Business and  
9 Professions Code and is cause for the suspension or revocation of  
10 all real estate licenses and license rights of Respondents under  
11 the provisions of Section 10177(d) of the Business and  
12 Professions Code.

13 ORDER

14 WHEREFORE, THE FOLLOWING ORDER is hereby made:

15 All licenses and licensing rights of Respondents ST  
16 INVESTMENT, INC. and MICHELLE CHAN, individually and as  
17 designated officer of St Investment, Inc., under the Real Estate  
18 Law are suspended for a period of sixty (60) days from the  
19 effective date of this Decision; provided, however, that sixty  
20 (60) days of said suspension shall be stayed for two (2) years  
21 upon the following terms and conditions:

22 1. Respondents shall obey all laws, rules and  
23 regulations governing the rights, duties and responsibilities  
24 of a real estate licensee in the State of California.

25 2. That no final subsequent determination be made,  
26 after hearing or upon stipulation, that cause for disciplinary  
27 action occurred within two (2) years of the effective date of

1 this Decision. Should such determination be made, the  
2 Commissioner may, in his discretion, vacate and set aside the  
3 stay order and reimpose all or a portion of the stayed  
4 suspension. Should no such determination be made, the stay  
5 imposed herein shall become permanent.

6 3. Respondent CHAN shall, within six (6) months from  
7 the effective date of this Decision, take and pass the  
8 Professional Responsibility Examination administered by the  
9 Department including the payment of the appropriate examination  
10 fee. If Respondent fails to satisfy this condition, the  
11 Commissioner may order suspension of Respondent's license until  
12 Respondent passes the examination.

13  
14 DATED: 10/21/04

CHRIS LEONG  
15 CHRIS LEONG, ESQ.  
16 Counsel for Complainant

17 \* \* \*

18 We have read the Stipulation and Agreement have  
19 discussed it with our counsel and its terms are understood by us  
20 and are agreeable and acceptable to us. We understand that we  
21 am waiving rights given to us by the California Administrative  
22 Procedure Act (including but not limited to Sections 11506,  
23 11508, 11509 and 11513 of the Government Code), and we  
24 willingly, intelligently and voluntarily waive those rights,  
25 including the right of requiring the Commissioner to prove the  
26 allegations in the Accusation at a hearing at which we would  
27 have the right to cross-examine witnesses against us and to  
present evidence in defense and mitigation of the charges.

1 Respondents can signify acceptance and approval of the  
2 terms and conditions of this Stipulation and Agreement by faxing  
3 a copy of the signature page, as actually signed by Respondents,  
4 to the Department at fax number (213) 576-6917. Respondents  
5 agree, acknowledge and understand that by electronically sending  
6 to the Department a fax copy of their actual signatures as they  
7 appear on the Stipulation and Agreement, that receipt of the  
8 faxed copy by the Department shall be as binding on Respondents  
9 as if the Department had received the original signed Stipulation  
10 and Agreement.

11 DATED: 10/13/04

Michele Chan  
ST INVESTMENT, INC., a  
corporation, Respondent

13 DATED: 10/13/04

Michele Chan  
MICHELE CHAN, designated officer  
of ST Investments, Inc.,  
Respondent

16 DATED: 10-18-04

Frank M. Buda  
FRANK M. BUDA, ESQ.  
Counsel for Respondent  
(Approved as to content)

19 \* \* \*

20 The foregoing Stipulation and Agreement is hereby  
21 adopted as my Decision in this matter and shall become effective  
22 at 12 o'clock noon on November 24, 2004.

23 IT IS SO ORDERED Nov. 2, 2004

24 JOHN R. LIBERATOR  
25 Acting Real Estate Commissioner

26 John R. Liberator  
27

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

In the Matter of the Accusation of ) Case No. H-30636 LA  
 )  
 ST INVESTMENT, INC., a corporation ) OAH No. L-2004020106  
 and MICHELE CHAN, individually and )  
 as designated officer of )  
 St Investment, Inc., )  
 \_\_\_\_\_ )

Respondent(s)

**FILED**  
 MAR 22 2004  
 DEPARTMENT OF REAL ESTATE

NOTICE OF HEARING ON ACCUSATION

By Chris Leong

To the above-named Respondent(s):

You are hereby notified that a hearing will be held before the Department of Real Estate at the Office of Administrative Hearings, 320 West Fourth Street, Suite 630, Los Angeles, CA 90013-1105 on SEPTEMBER 29 and 30, 2004, at the hour of 9:00 A.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: March 22, 2004

By Chris Leong  
 CHRIS LEONG, Counsel

cc: St Investment, Inc.  
 Michele Chan  
 Frank M. Buda, Esq.  
 Sacto.  
 OAH

1 CHRIS LEONG, Counsel  
State Bar Number 141079  
2 Department of Real Estate  
320 West Fourth Street, Suite 350  
3 Los Angeles, CA 90013-1105  
4 Telephone: (213) 576-6982  
-or- (213) 576-6910 (Direct)  
5

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JAN 21 2004  
DEPARTMENT OF REAL ESTATE

*[Signature]*

8 BEFORE THE DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of )  
12 ST INVESTMENT, INC., a ) NO. H-30636 LA  
corporation and MICHELE CHAN, ) A C C U S A T I O N  
13 individually and as designated )  
officer of ST Investment, Inc. )  
14 Respondents. )  
15

16 The Complainant, Janice Waddell, a Deputy Real Estate  
17 Commissioner of the State of California, for cause of Accusation  
18 against ST INVESTMENT, INC., a corporation (hereafter "ST") and  
19 MICHELE CHAN, individually and as designated officer of ST  
20 Investment, Inc. (hereafter "CHAN") (hereafter sometimes both  
21 referred to as "Respondents") is informed and alleges as follows:

22 1.

23 The Complainant, Janice Waddell, a Deputy Real Estate  
24 Commissioner of the State of California, makes this Accusation  
25 in her official capacity.  
26  
27



2.

1 Respondent ST is presently licensed and/or has  
2 license rights under the Real Estate Law, Part 1 of Division 4  
3 of the Business and Professions Code (hereafter "Code") as a  
4 corporate real estate broker.  
5

3.

6 Respondent CHAN is presently licensed and/or has  
7 license rights under the Real Estate Law, Part 1 of Division 4  
8 of the Code as a real estate broker, individually and as  
9 designated officer of ST.  
10

4.

11 At all times mentioned herein Hoi Yuen, aka Hoi Dong  
12 Yuen (hereafter "Yuen") was not licensed under the Real Estate  
13 Law, Part 1 of Division 4 of the Code.  
14

5.

15 All further references to "Respondents", unless  
16 otherwise specified, include the parties identified in  
17 Paragraphs 2 and 3, above, and also include the employees, agents  
18 and real estate licensees employed by or associated with said  
19 parties, who at all times herein mentioned were engaged in the  
20 furtherance of the business or operations of said parties  
21 and who were acting within the course and scope of their  
22 authority and employment.  
23

6.

24 At all times mentioned herein, for compensation or in  
25 expectation of compensation, Respondents engaged in the  
26 business of, acted in the capacity of, advertised or assumed to  
27

1 act as real estate brokers in the State of California, within  
2 the meaning of Code Section 10131(d), including the operation  
3 of a real estate loan business with the public wherein  
4 borrowers and lenders were solicited for loans, wherein such  
5 loans were arranged, negotiated, processed, and consummated on  
6 behalf of others for compensation or in expectation of  
7 compensation.

8 7.

9 Yuen was employed by Respondents ST and CHAN to  
10 perform acts requiring a license. Respondents knew or should  
11 have known that Yuen was not licensed by the Department of Real  
12 Estate. Yuen's activities included, but were not limited to,  
13 negotiating loans secured by a deed of trust for borrowers  
14 including but not necessarily limited to Qinli Yu (hereafter  
15 "Borrower").

16 8.

17 In or about January, 2001, Yuen, with Respondents'  
18 knowledge and proper authorization, processed the mortgage loan  
19 application of Borrower on behalf of ST. The loan was to  
20 purchase property located at 2519 Delta Ave., Rosemead, CA. As  
21 part of this loan application Respondents submitted employment,  
22 income and tax information of the Borrower to the lender SCME  
23 Mortgage Bankers (hereafter "Lender"). This loan closed on  
24 February 8, 2001. Yuen was paid \$4,010.00 commission by  
25 Respondents for this transaction. Borrower failed to make any of  
26 the loan payments.

9.

1  
2 In or about September, 2001, Lender started its  
3 investigation of this loan. On about November 1, 2001, Lender  
4 completed a Quality Assurance Loan Review. Lender discovered  
5 that the employment information, income information and W-2's of  
6 Borrower were false.

7  
8 10.

9 The conduct, acts and/or omissions of Respondents, ST  
10 and CHAN as described above in Paragraphs 6 and 7, constitutes  
11 violation under Code Section 10137. Said conduct is cause  
12 pursuant to Code Sections 10177(d) and 10137 for the suspension  
13 or revocation of all licenses and license rights of Respondents  
14 under the Real Estate Law.

15  
16 11.

17 On or about December 9, 2003, Respondents were served  
18 with a Subpoena Duces Tecum for the loan logs, Agreement with  
19 Yuen, and a complete loan file for the Borrower's loan.  
20 Respondents delivered the requested documents, except for the  
21 Agreement with Yuen and the Borrower's loan file.

22  
23 12.

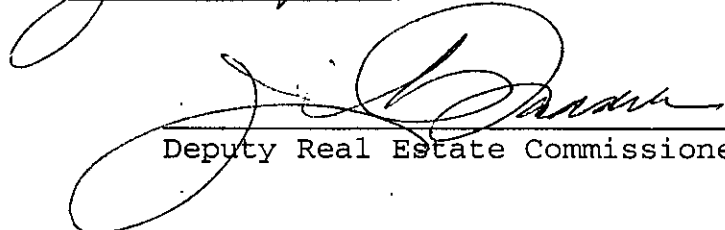
24 The conduct, acts and/or omissions of Respondents, as  
25 described above in Paragraph 11, constitutes a violation of  
26 Code Section 10148. Said conduct is cause pursuant to Code  
27 Section 10177(d) for the suspension or revocation of all  
licenses and license rights of Respondents under the Real  
Estate Law.

///  
27

1  
2 WHEREFORE, Complainant prays that a hearing be  
3 conducted on the allegations of this Accusation and that upon  
4 proof thereof, a decision be rendered imposing disciplinary  
5 action against all licenses and/or license rights of  
6 Respondents, ST INVESTMENT, INC., a corporation and MICHELE  
7 CHAN, individually and as designated officer of ST Investment,  
8 Inc., under the Real Estate Law (Part 1 of Division 4 of the  
9 Business and Professions Code), and for such other and further  
10 relief as may be proper under other applicable provisions of  
11 law.

12 Dated at Los Angeles, California

13 this 20<sup>th</sup> day of January, 2004.

14  
15   
16 Deputy Real Estate Commissioner  
17  
18  
19  
20  
21  
22  
23

24 cc: ST Investment, Inc.  
25 Michele Chan  
26 Janice Waddell  
27 Sacto.  
AS