

FILED

JUN 28 2023

DEPT. OF REAL ESTATE

By [REDACTED]

1 Department of Real Estate
2 320 W. 4th Street, Suite 350
3 Los Angeles, CA 90013-1105
4 Telephone: (213) 576-6982
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9 BEFORE THE DEPARTMENT OF REAL ESTATE
10 STATE OF CALIFORNIA

11 * * *

12 In the Matter of the Investigation of) DRE No. H-42558 LA
13 LAKESIDE PROCESSING INC; and)
14 WAYNE ANDREW KIM, individually)
15 and as former Designated Officer of)
16 Lakeside Processing Inc.,) STIPULATION AND AGREEMENT
17 Respondents.) IN SETTLEMENT AND ORDER

18 Respondents LAKESIDE PROCESSING INC ("LPI") and WAYNE ANDREW
19 KIM ("KIM"), individually and as former Designated Officer of Lakeside Processing Inc.,
20 (sometimes collectively referred to as "Respondents") are presently licensed and/or have license
21 rights under the Real Estate Law, Part 1, of Division 4, of the California Business and
22 Professions Code ("Code").

23 LPI's corporate real estate broker license (License ID 01889408) expired on April
24 26, 2023. The Department of Real Estate ("Department") retains jurisdiction over the lapsed
25 license pursuant to Code section 10103. KIM is a director of LPI. LPI held a mortgage loan
26 originator ("MLO") license endorsement (NMLS ID 1704843), which expired on January 1,
27 2023.

1 KIM's real estate broker license (License ID 01248075) was originally issued on
2 October 24, 1998, and is set to expire on January 19, 2024. On or about February 5, 2015, in
3 Case Number H-39615 LA, KIM's broker license was suspended with a monetary penalty in lieu
4 of suspension.

5 KIM was the former designated officer for LPI from April 27, 2019, through
6 March 22, 2023. KIM is also the sole director of LPI. As the designated officer of LPI, pursuant
7 to Code section 10159.2, KIM was, at all times mentioned herein, responsible for the supervision
8 of the activities of the officers, agents, real estate licensees, and employees of LPI for which a
9 license is required.

10 KIM held an MLO license endorsement (NMLS ID 16751) from on or about
11 March 24, 2016, through January 27, 2022, at which time KIM surrendered his MLO license
12 endorsement pursuant to the Settlement Agreement and Consent Order in Case No. H-05669 SD,
13 executed on January 27, 2022.

14 FACTUAL BASIS

15 (MLO Activity)

16 1.

17 At all times herein mentioned, Respondent LPI acted as a real estate broker for
18 compensation or in the expectation of compensation within the State of California within the
19 meaning of Sections 10166.02 and 10166.03(c) as an independent contractor engaged in the
20 activities of a loan processor for residential mortgage loans. Said activities require that
21 Respondent LPI act under the supervision and control of an officer licensed as a real estate
22 broker and approved to hold an MLO license endorsement pursuant to Code section 10159.2.

23 2.

24 From on or about April 4, 2022, to June 22, 2022, LPI performed the acts as set forth in
25 Paragraph 1, above, without the supervision of a designated officer with an approved MLO
26 license endorsement. During this time period, KIM, as the designated officer of LPI, no longer
27 held an approved MLO license endorsement. LPI, as an independent contractor, performed loan

1 processing services for residential mortgage loans and received compensation for its loan
2 processing when LPI was not authorized to conduct such MLO activity.

3 (Failure to Disclose)

4 3.

5 On or about April 6, 2022, KIM submitted a new application for an individual MLO
6 license endorsement. KIM failed to disclose the regulatory action against his broker license
7 which resulted in a stayed suspension of his license in Case Number H-39615 LA. KIM also
8 failed to disclose the surrender of his MLO license endorsement in Case Number H-05669 SD.

9 ACKNOWLEDGMENTS AND VOLUNTARY WAIVER OF RIGHTS

10 It is hereby stipulated by and between Respondents and the Department of Real
11 Estate, acting by and through Judith B. Vasan, Counsel for the Department as follows:

12 1. All issues relating to the Department's investigation of Respondents' acts, and
13 all evidence which may be presented by the Department and Respondents at a formal
14 disciplinary hearing held in accordance with the provisions of the Administrative Procedure Act
15 ("APA") resulting from the Department's investigation shall instead and in place thereof be
16 submitted on the basis of the provisions of this Stipulation and Agreement ("Stipulation").

17 2. Respondents hereby waive their right to a formal hearing under the provisions
18 of the APA regarding the factual basis set forth above, and the Determination of Issues set forth
19 below.

20 3. Respondents acknowledge that they understand that by waiving their right to
21 notice of the charges brought against them by the Department, and their right to file Notices of
22 Defense requesting a formal hearing under the APA, Respondents will thereby waive their right
23 to require the Real Estate Commissioner ("Commissioner") to prove the allegations which would
24 be alleged in a formal Accusation at a contested hearing held in accordance with the provisions
25 of the APA and that they will waive other rights afforded to them in connection with a hearing
26 such as the right to present evidence in defense of the allegations in the Accusation and the right
27

1 to cross-examine witnesses.

2 4. It is understood the Commissioner may adopt this Stipulation as his decision in
3 this matter thereby imposing the penalty and sanctions on Respondents' real estate licenses and
4 license rights as set forth in the "Order" below.

5 6. The "Order" or any subsequent Order of the Commissioner made pursuant to
6 this Stipulation shall not constitute an estoppel, merger, or bar to any further administrative or
7 civil proceedings by the Department with respect to any matters which were not specifically
8 alleged as grounds for discipline in this matter.

9 DETERMINATION OF ISSUES

10 By reason of the foregoing stipulations, admissions, and waivers and solely for
11 the purpose of settlement of the Department's investigation of Respondents' acts requiring a real
12 estate license without hearing, it is stipulated and agreed that the following Determination of
13 Issues shall be made:

14 The acts and omissions of Respondents, as set forth above, in failing to comply
15 with Code sections 10166.02 and 10166.03(c), are grounds for the suspension or revocation of
16 the licenses, license rights, and MLO license endorsements of Respondents under the provisions
17 of Sections 10166.051(b), 10177(a), 10177(d), and/or 10177(g) of the Code.

18 ORDER

19 WHEREFORE, THE FOLLOWING ORDER is hereby made:

20 (RESPONDENT LAKESIDE PROCESSING INC.)

21 1.

22 All licenses, licensing rights, and MLO license endorsements of Respondent LPI
23 under the Real Estate Law are suspended for a period of sixty (60) days from the Effective Date
24 of the reinstatement of its corporate real estate broker license and MLO license endorsement if
25 Respondent makes application therefor and pays to the Department the appropriate fee for the
26 renewal applications within ninety (90) days from the Effective Date of this Decision; provided,
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1 however, that all sixty (60) days of said suspension shall be stayed upon the following terms and
2 conditions:

3 a. Respondent shall obey all laws, rules and regulations governing the rights,
4 duties and responsibilities of a real estate licensee in the State of California; and

5 b. That no final subsequent determination be made, after hearing or upon
6 stipulation, that cause for disciplinary action occurred within one (1) year from the Effective
7 Date of this Decision. Should such a determination be made, the Commissioner may, in his
8 discretion, vacate and set aside the stay order and reimpose all or a portion of the stayed
9 suspension. Should no such determination be made, the stay imposed herein shall become
10 permanent.

11 (RESPONDENT WAYNE ANDREW KIM)

12 2.

13 All licenses and licensing rights of Respondent KIM under the Real Estate Law
14 are suspended for a period of sixty (60) days from the Effective Date of this Decision and Order;
15 provided, however, that all sixty (60) days of said suspension shall be stayed upon the following
16 terms and conditions:

17 a. Respondents shall obey all laws, rules and regulations governing the rights,
18 duties and responsibilities of a real estate licensee in the State of California; and

19 b. That no final subsequent determination be made, after hearing or upon
20 stipulation, that cause for disciplinary action occurred within one (1) year of the effective date of
21 this Decision. Should such a determination be made, the Commissioner may, in his discretion,
22 vacate and set aside the stay order and reimpose all or a portion of the stayed suspension. Should
23 no such determination be made, the stay imposed herein shall become permanent.

24 3.

25 All MLO license endorsements and endorsement rights of Respondent KIM under
26 the Real Estate Law are suspended for a period of sixty (60) days from the Effective Date of the
27 reinstatement of Respondent KIM's MLO license endorsement or the issuance of a new MLO

1 license endorsement; provided, however, that all sixty (60) days of said suspension shall be
2 stayed upon the following terms and conditions:

3 a. Respondents shall obey all laws, rules and regulations governing the rights,
4 duties and responsibilities of a real estate licensee in the State of California; and

5 b. That no final subsequent determination be made, after hearing or upon
6 stipulation, that cause for disciplinary action occurred within one (1) year of the effective date of
7 this Decision. Should such a determination be made, the Commissioner may, in his discretion,
8 vacate and set aside the stay order and reimpose all or a portion of the stayed suspension. Should
9 no such determination be made, the stay imposed herein shall become permanent.

10
11 DATED: 5/22/2023


12 Judith B. Vasan, Counsel for
13 Department of Real Estate

14 * * *

15 EXECUTION OF THE STIPULATION

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

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1 Respondents shall mail the original signed signature page of the stipulation herein
2 to Judith B. Vasan, Attention: Legal Section, Department of Real Estate, 320 W. Fourth St.,
3 Suite 350, Los Angeles, California 90013-1105.

4 In the event of time constraints before an administrative hearing, Respondents can
5 signify acceptance and approval of the terms and conditions of this Stipulation and Agreement
6 by emailing a scanned copy of the signature page, as actually signed by Respondents, to the
7 Department counsel assigned to this case. Respondents agree, acknowledge and understand that
8 by electronically sending the Department a scan of Respondents' actual signature as it appears on
9 the Stipulation and Agreement that receipt of the scan by the Department shall be binding on
10 Respondents as if the Department had received the original signed Stipulation. Respondents shall
11 also mail the original signed signature page of this Stipulation to the Department counsel.

12 Respondents' signatures below constitute acceptance and approval of the terms
13 and conditions of this Stipulation. Respondents agree, acknowledge and understand that by
14 signing this Stipulation, Respondents are bound by its terms as of the date of such signatures and
15 that this agreement is not subject to rescission or amendment at a later date except by a separate
16 Decision and Order of the Real Estate Commissioner.

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18 DATED: 5/19/23

Wayne Kim [REDACTED]
LAKESIDE PROCESSING, INC.
Respondent
By: [REDACTED]

21
22 DATED: 5/19/23

[REDACTED]
WAYNE ANDREW KIM, individually and
as former Designated Officer of Lakeside Processing Inc.,
Respondent

25 * * *

26 The foregoing Stipulation and Agreement is hereby adopted as my Decision as to
27

1 Respondents LAKESIDE PROCESSING INC. and WAYNE ANDREW KIM, individually and
2 as former Designated Officer of Lakeside Processing Inc, and shall become effective at 12
3 o'clock noon on JUL 18 2023.

4 IT IS SO ORDERED 6.15.23.

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6 DOUGLAS R. McCAULEY
7 REAL ESTATE COMMISSIONER
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