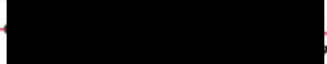


FILED

FEB 19 2026

DEPT. OF REAL ESTATE

By 

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of:	)	DRE No. H-43025 LA
	)	
STEVE WONGUEN CHANG,	)	OAH No. 2025070143
	)	
Respondent.	)	

DECISION

The Proposed Decision dated December 29, 2025, of the Administrative Law Judge of the Office of Administrative Hearings, is hereby adopted as the Decision of the Real Estate Commissioner in the above-entitled matter.

The Decision suspends or revokes one or more real estate licenses.

Pursuant to Government Code Section 11521, the Department of Real Estate may order reconsideration of this Decision on petition of any party. The party seeking reconsideration shall set forth new facts, circumstances, and evidence, or errors in law or analysis, that show(s) grounds and good cause for the Commissioner to reconsider the Decision. If new evidence is presented, the party shall specifically identify the new evidence and explain why it was not previously presented. The Department's power to order reconsideration of this Decision shall expire thirty (30) days after mailing of this Decision, or on the effective date of this Decision, whichever occurs first.

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The right to reinstatement of a revoked real estate license or to the reduction of a penalty is controlled by Section 11522 of the Government Code. A copy of Sections 11521 and 11522 and a copy of the Commissioner's Criteria of Rehabilitation are attached hereto for the information of respondent.

This Decision shall become effective at 12 o'clock noon on MAR 11 2026

IT IS SO ORDERED 2/13/2026

Chika Sunquist
REAL ESTATE COMMISSIONER



By: Marcus L. McCarther
Chief Deputy Real Estate Commissioner

**BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA**

In the Matter of the Accusation Against:

STEVE WONGUEN CHANG,

Respondent.

Agency Case No. H-43025 LA

OAH No. 2025070143

PROPOSED DECISION

Thomas Heller, Administrative Law Judge, Office of Administrative Hearings, State of California, heard this matter by videoconference on December 1, 2025.

Steve Chu, Staff Attorney, Department of Real Estate (Department), represented complainant Ray Dagnino, a Supervising Special Investigator of the Department.

Michael Y. Yi, Esq., represented respondent Steve Wonguen Chang, who did not appear at the hearing.

Oral and documentary evidence was received. The record was closed, and the matter was submitted for decision on December 1, 2025.

SUMMARY

The Real Estate Commissioner (Commissioner) licensed respondent as a restricted real estate salesperson in 2018, about 10 years after respondent surrendered his real estate broker license in connection with a Department investigation of possible violations of the Real Estate Law (Bus. & Prof. Code, div. 4, pt. 1, § 10000 et seq.) and regulations of the Commissioner. In early 2021, respondent reapplied for a real estate broker license, which the Commissioner denied in early 2025 upon finding that respondent committed fraud and dishonest dealing by making false statements throughout his license application processes with the Department between 1989 and 2022. Complainant now requests that the Commissioner revoke respondent's restricted salesperson license based on the same conduct. Clear and convincing evidence proves the disciplinary charge of fraud and dishonest dealing, which warrants revocation of respondent's license and licensing rights. Complainant also requests an order requiring respondent to reimburse the Department's investigation and enforcement costs; that request is granted.

FACTUAL FINDINGS

Background

1. Respondent is licensed under the Real Estate Law as a restricted real estate salesperson, license number 01052615. He was initially licensed as a real estate broker on December 5, 1989, but the Commissioner accepted his voluntary surrender of that license effective July 14, 2008. Respondent surrendered his license in connection with a Department investigation of a complaint alleging respondent fraudulently added a loan prepayment penalty addendum to a loan after the borrower

signed the loan documents and never disclosed a prepayment penalty to the borrower. Respondent did not admit the truth of the allegations as part of the surrender.

2. Effective January 3, 2012, the Commissioner denied respondent's first petition to reinstate his real estate broker license. In June 2016, respondent petitioned a second time for reinstatement of that license. The Commissioner denied the second petition effective August 16, 2017, but ordered issuance of a restricted real estate broker license if respondent passed the real estate broker examination and submitted a completed application and fee to the Department within 12 months. The Commissioner also ordered that respondent was ineligible to apply for an unrestricted real estate license until two years after issuance of the restricted license.

3. In early 2018, respondent applied for a real estate salesperson license rather than a real estate broker license. On April 25, 2018, the Commissioner issued respondent a restricted real estate salesperson license, which is the license he currently holds. The license expired as of April 24, 2022, but it was renewed as of October 13, 2023, and it is currently scheduled to expire on October 12, 2027.

4. In February 2021, respondent applied for a real estate broker license. After a Department investigation, complainant filed a Statement of Issues in January 2023 alleging grounds to deny the application. After a hearing before an administrative law judge, the Commissioner denied the application in a Decision effective April 8, 2025, finding that respondent engaged in multiple acts of fraud and dishonest dealing throughout his license application history with the Department. The acts of fraud and dishonest dealing involved respondent's false responses to multiple questions on license applications and other Department documents, as follows:

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A. In respondent's 1989 license application, in response to the question, "Have you ever been convicted of any violation of law?", respondent answered "No" and failed to disclose a criminal conviction in 1987. (Exhibit 13, p. A149, capitalization omitted.) Specifically, on July 9, 1987, in the Municipal Court of California, County of Los Angeles, Case No. 31383651, respondent pled guilty to, and was convicted of, violating Labor Code section 212, subdivision (a) (non-negotiable payment of wage), a misdemeanor. The court placed respondent on summary probation for one year.

B. In respondent's second petition for reinstatement in 2016, in response to the question, "Have you or any entity in which you had ownership, held an officer title, or exercised control ever been a defendant in a civil court action, including small claims actions?", respondent answered "Yes" but only disclosed that he was a defendant in a small claims action. (Exhibit 13, p. A152, capitalization omitted.) Respondent did not disclose that he was also a defendant in a civil court action alleging he was part of a fraudulent scheme to deprive insurance companies of benefits under contracts of insurance for financial gain. Specifically, on April 3, 2014, in the Superior Court of California, County of Los Angeles, Case No. BC541476, Allstate Insurance Company, et al. (Allstate), filed a complaint against respondent and other defendants alleging violations of the California Insurance Frauds Prevention Act and the California Unfair Competition Act. In the complaint, respondent was a named defendant both personally and through CY Union Capital, Inc., a corporation doing business as Union Check Cashing, a company for which respondent was president and a partial owner.

C. In respondent's 2018 real estate salesperson application, in response to the question, "Have you ever been convicted . . . of any violation of the

law at the misdemeanor or felony level? . . . ,” respondent answered “No” and failed to disclose his criminal conviction in 1987. (Exhibit 13, p. A150, capitalization omitted.)

D. On February 14, 2022, in support of his 2021 broker application, respondent submitted an Interview Information Statement to the Department. In response to the question, “Have you or any entity in which you had ownership, held an officer title, or exercised control ever been a defendant in a civil court action, including small claims actions?”, respondent answered “No” and failed to disclose that he was a defendant in the 2014 civil court action filed by Allstate. (Exhibit 13, p. A153, capitalization omitted.)

E. In the Interview Information Statement, respondent also answered “No” to the question, “Do you have any past due debts, liens, judgements, outstanding judgements settled, or bankruptcy action pending?” (Exhibit 13, p. A154, capitalization omitted). In so doing, respondent failed to disclose a settlement of the 2014 civil court action and small claims judgments against him in 2004 and 2010. The settlement of the 2014 civil court action required respondent to pay \$200,000 to Allstate over a period of 60 months starting on August 15, 2016. As of the hearing date in December 2024, respondent had not made those payments.

5. Before the Commissioner’s Decision on respondent’s real estate broker application, complainant filed an Accusation in his official capacity on December 2, 2024, requesting that the Commissioner take disciplinary action against respondent’s license and licensing rights as a restricted real estate salesperson. Complainant alleges that respondent’s false statements over the course of his license application history with the Department are grounds for disciplinary action under Business and Professions Code section 10177, subdivisions (j) and (k). Complainant also requests an

order directing respondent to pay the Department's costs of investigation and enforcement in this case.

6. Respondent submitted a Notice of Defense on Accusation dated February 24, 2025.

Hearing

7. At the hearing, complainant presented documentation of respondent's license and application history, the surrender of his real estate broker license, the Department's investigation of respondent's background, and a copy of the Commissioner's recent Decision denying respondent's application for a real estate broker license. Complainant also presented court records of respondent's 1987 criminal conviction and of Allstate's civil court action against respondent in 2014, as well as documentation of respondent's settlement of that civil action in July 2016. Additionally, complainant presented a cost certification stating the Department has incurred \$2,508 in enforcement costs related to the Accusation.

8. Respondent's counsel presented no evidence for respondent, who reportedly had to leave the country for medical treatment on short notice. Respondent's counsel did not move to continue the hearing on that basis. Respondent's counsel requested leniency for respondent and a decision that preserves his restricted real estate salesperson license.

9. Complainant's evidence establishes the same false statements described in the Commissioner's Decision denying respondent's real estate broker application. The false statements span decades between respondent's initial license application in 1989 and 2022, when respondent provided the Interview Information Statement to the Department that misrepresented his civil court case background and outstanding

debts. Respondent presented no explanatory or mitigation evidence regarding the misrepresentations, and his repeated false statements throughout his application history with the Department prove to a high probability that he acted fraudulently and dishonestly in making them.

LEGAL CONCLUSIONS

Legal Standards

1. The Commissioner may suspend or revoke the real estate license of a person who has done any of the acts enumerated in Business and Professions Code section 10177. As relevant here, those acts include: "(j) Engag[ing] in any . . . conduct. . . that constitutes fraud or dishonest dealing. [¶] (k) Violat[ing] any of the terms, conditions, restrictions, and limitations contained in an order granting a restricted license." (Bus. & Prof. Code, § 10177, subds. (j), (k).)

2. Complainant has the burden of proving the alleged grounds for license discipline by clear and convincing evidence to a reasonable certainty. (*The Grubb Co., Inc. v. Department of Real Estate* (2011) 194 Cal.App.4th 1494, 1505; *Small v. Smith* (1971) 16 Cal.App.3d 450, 457; see also *Realty Projects, Inc. v. Smith* (1973) 32 Cal.App.3d 204, 212.) Clear and convincing evidence "requires a finding of high probability," and has been described as "requiring that the evidence be "'so clear as to leave no substantial doubt"; "sufficiently strong to command the unhesitating assent of every reasonable mind.'" [Citation.]" (*In re Angelia P.* (1981) 28 Cal.3d 908, 919.) "Evidence of a charge is clear and convincing so long as there is a 'high probability' that the charge is true. [Citations.] The evidence need not establish the fact beyond a

reasonable doubt." (*Broadman v. Commission on Judicial Performance* (1998) 18 Cal.4th 1079, 1090.)

Analysis

CAUSES FOR DISCIPLINE

Fraud or Dishonest Dealing

3. First, complainant alleges respondent engaged in conduct that constitutes fraud or dishonest dealing in violation of Business and Professions Code section 10177, subdivision (j).

4. The evidence proves this cause for discipline. Respondent's pattern of making false statements throughout his application history with the Department proves to a high probability that he acted fraudulently and dishonestly in making the statements. Respondent presented no evidence to the contrary.

Violation of Order Granting a Restricted License

5. Second, complainant alleges respondent violated a term, condition, restriction, or limitation contained in an order granting a restricted license, subjecting respondent to disciplinary action under Business and Professions Code section 10177, subdivision (k).

6. The Accusation does not specify the term, condition, restriction, or limitation that respondent allegedly violated, and such specificity was also lacking at the hearing. Furthermore, the only order granting a restricted license in the record is the Commissioner's order granting respondent a restricted real estate broker license. This is not the license respondent has; instead, he has a restricted real estate

salesperson's license. As a result, this cause for discipline is unclear, and complainant did not prove it.

DISPOSITION

7. With a proven cause for discipline, the Commissioner must determine the appropriate disciplinary action, with consideration of any evidence of respondent's rehabilitation. Here, respondent made no showing of rehabilitation, and the proven cause for discipline reflects long-standing dishonesty and untruthfulness with the Department. "Honesty and truthfulness are two qualities deemed by the Legislature to bear on one's fitness and qualification to be a real estate licensee." (*Harrington v. Department of Real Estate* (1989) 214 Cal.App.3d 394, 402.) "[T]here is more to being a licensed [real estate] professional than mere knowledge and ability. Honesty and integrity are deeply and daily involved in various aspects of the practice." (*Golde v. Fox* (1979) 98 Cal.App.3d 167, 176.)

8. Respondent engaged in multiple acts of fraud and dishonest dealing in his license application processes with the Department between 1989 and 2022. Given the nature and gravity of respondent's conduct and the absence of rehabilitation evidence, revocation of his license and licensing rights is warranted.

COSTS

9. Complainant requests \$2,508 in enforcement costs in connection with the Accusation. "Except as otherwise provided by law, in any order issued in resolution of a disciplinary proceeding before the department, the commissioner may request the administrative law judge to direct a licensee found to have committed a violation of this part to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case." (Bus. & Prof. Code, § 10106, subd. (a).) In evaluating a

request for costs, the administrative law judge must consider whether complainant's investigation was "disproportionately large" compared to the violation, and whether the licensee: (1) committed some misconduct but "used the hearing process to obtain dismissal of other charges or a reduction in the severity of the discipline imposed;" (2) had a "'subjective good faith belief in the merits of his or her position;'" (3) raised a "'colorable challenge'" to the proposed discipline; and (4) "will be financially able to make later payments." (*Zuckerman v. State Board of Chiropractic Examiners* (2002) 29 Cal.4th 32, 45 [quoting *California Teachers Assn. v. State of California* (1999) 20 Cal.4th 327, 342, 345].)

10. Complainant presented certifications of the Department's costs, which are prima facie evidence that the costs are reasonable. (Bus. & Prof. Code, § 10106, subd. (c) ["A certified copy of the actual costs, or a good faith estimate of costs where actual costs are not available, signed by the commissioner or the commissioner's designated representative, shall be prima facie evidence of reasonable costs of investigation and prosecution of the case."].) Respondent presented no evidence that they are not. Respondent did not assert a colorable challenge to discipline, and the Department's investigation was not disproportionately large compared to the violations. Respondent also did not contend that he will be financially unable to pay the costs. Therefore, the amount of the costs is reasonable, and an order requiring respondent to pay them is warranted.

ORDER

All licenses and licensing rights of respondent Steve Wonguen Chang under the Real Estate Law are revoked.

Respondent shall pay the Department \$2,508 in costs within 30 days of the effective date of this order.

DATE: 12/29/2025



Thomas Heller (Dec 29, 2025 13:28:09 PST)

THOMAS HELLER

Administrative Law Judge

Office of Administrative Hearings