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DEPT. OF REAL ESTATE

Telephone:

Department of Real Estate

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Los Angeles, California 90013

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BEFORE THE DEPARTMENT OF REAL ESTATE STATE OF CALIFORNIA

In the Matter of the Accusation of

JIN ZENG,

Respondent.

No. H-41794 LA

STIPULATION AND
AGREEMENT

Respondent JIN ZENG, a.k.a. "Tony Zeng" ("Respondent"), is currently licensed by the Department of Real Estate. Respondent is licensed as a real estate broker from March 19, 2004 until March 18, 2024.

FACTUAL BASIS

From or about May 10, 2017 through September 5, 2017, Respondent was the owner and president of Model Escrow, Inc. ("Model Escrow"), a licensed escrow agent holding escrow license number 963-2696. Respondent has also been a broker licensed by the Department of Real Estate since 2004 (broker license number 01421100).

On November 7, 2019, Respondent entered into a Settlement Agreement with the Department of Business Oversight ("DBO"), acknowledging violations of the Escrow Law (Financial Code section 17000 et seq) by Model Escrow for the period between May 10, 2017 and September 5, 2017.

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In the Settlement Agreement, Model Escrow agreed to the suspension of its escrow agent's license for a period of 20 business days. The Settlement Agreement was based on the following determinations by the DBO:

- (1) During the period of May 10, 2017 through September 5, 2017, Model Escrow staff made nine deposits of trust funds into the company's general account totaling \$203,120.00, in violation of Financial Code section 17409;
- (2) Model Escrow failed to properly reconcile its trust account and identify the erroneous deposits, in violation of Code of Regulations, title 10, section 1732.2; and
- (3) Model Escrow caused debit balances to occur in six of its escrow files, in violation of Code of Regulations, title 10, sections 1738.1 and 1741.2.

On November 7, 2019, the DBO issued an order suspending Model Escrow's escrow agent's license for a period of 20 business days, beginning November 18, 2019.

Respondent failed to report the Model Escrow suspension within 30 days of the suspension order, as prescribed by Business and Professions Code section 10186.2.

ACKNOWLEDGMENTS AND VOLUNTARY WAIVER OF RIGHTS

It is hereby stipulated by and between Respondent and the Department of Real Estate, acting by and through Kathy Yi, Counsel for the Department of Real Estate ("Department"), as follows:

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

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2. Respondent hereby waives Respondent's right to a formal hearing under the provisions of the APA regarding the Factual Basis set forth above, and the Determination of Issues set forth below.

- Respondent's right to notice of the charges brought against Respondent by the Department, and Respondent's right to file a Notice of Defense requesting a formal hearing under the APA, Respondent will thereby waive Respondent's right to require the Real Estate Commissioner ("Commissioner") to prove the allegations which would be alleged in a formal Accusation at a contested hearing held in accordance with the provisions of the APA and that Respondent will waive other rights afforded to Respondent in connection with a hearing such as the right to present evidence in defense of the allegations in the Accusation and the right to cross-examine witnesses.
- 4. It is understood by the parties that the Real Estate Commissioner may adopt the Stipulation as his Decision in this matter, thereby imposing the penalty and sanctions on all of Respondent's real estate licenses and license rights as set forth in the below Order. In the event that the Commissioner in his discretion does not adopt the Stipulation, it shall be void and of no effect.
- 5. The Order or any subsequent Order of the Commissioner made pursuant to this Stipulation shall not constitute an estoppel, merger or bar to any further administrative or civil proceedings by the Department with respect to any matters which were not specifically alleged as grounds for discipline in this matter.

DETERMINATION OF ISSUES

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

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The acts and omissions of Respondent, as described in the Factual Basis set forth above, constitute cause for the suspension or revocation of all real estate licenses and license rights of Respondent JIN ZENG under Code sections 10177(f) and 10186.2.

ORDER

All licenses and licensing rights of Respondent JIN ZENG under the Real Estate Law are revoked; provided, however, a restricted real estate broker license shall be issued to Respondent pursuant to Section 10156.5 of the Code if Respondent makes application therefor and pays to the Bureau the appropriate fee for the restricted license within ninety (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 Code and to the following limitations, conditions, and restrictions imposed under Section 10156.6 of the 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, plea of guilty, 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 the conditions attaching to this restricted license.
- 3. 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 two (2) years have elapsed from the effective date of this Decision and Order.

DATED: 10/21/2020

Kathy Yi, Counsel

Department of Real Estate

Respondent has read this Stipulation and Agreement, and its terms are understood by Respondent and are agreeable and acceptable to Respondent. Respondent understands that Respondent is waiving rights given to Respondent by the California Administrative Procedure Act (including, but not limited to, California Government Code sections 11506, 11508, 11509, and 11513), and Respondent willingly, intelligently, and voluntarily waives those rights, including, but not limited to, the right to a hearing on an Accusation at which Respondent would have the right to cross-examine witnesses against Respondent and to present evidence in defense and mitigation of the charges.

Respondent shall send a hard copy of the original signed Stipulation and Agreement to Department of Real Estate, Legal Section, Attn: Kathy Yi at 320 West 4th St., Ste. 350, Los Angeles, CA 90013-1105.

DATED: 10/14/20

JIN ZENG, Respondent

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IT IS SO ORDERED 11.4.20, 2020.

DOUGLAS R. McCAULEY REAL ESTATE COMMISSIONER

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