

FILED

AUG 2 2024

DEPT. OF REAL ESTATE

By- 

1 Department of Real Estate
2 320 W. 4th Street, Suite 350
3 Los Angeles, CA 90013-1105
4 Telephone: (213) 576-6982

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation Against)	DRE No. H-42725 LA
)	OAH No. 2024010090
12 GREAT WALL REALTY, INC; and)	
13 HONGHUA SHANG, individually and as)	
14 Designated Officer of Great Wall Realty, Inc.,)	<u>STIPULATION AND AGREEMENT</u>
)	<u>IN SETTLEMENT AND ORDER</u>
15 Respondents.)	

17 It is hereby stipulated by and between Respondents GREAT WALL REALTY,
18 INC and HONGHUA SHANG, individually and as Designated Officer of Great Wall Realty, Inc
19 (sometimes collectively referred to as "Respondents"), acting by and through their attorney
20 Brian T. Smith of Zelms Erlich & Mack, and the Complainant, acting by and through
21 Judith A. Buranday, Counsel for the Department of Real Estate, as follows for the purpose of
22 settling and disposing of the Accusation ("Accusation") filed on October 18, 2023, in this matter:

23 1. All issues which were to be contested and all evidence which was to be
24 presented by Complainant and Respondents at a formal hearing on the Accusation, which
25 hearing was to be held in accordance with the provisions of the Administrative Procedure Act
26 ("APA"), shall instead and in place thereof be submitted solely on the basis of the provisions of
27 this Stipulation and Agreement ("Stipulation").

1 2. Respondents have received, read and understand the Statement to Respondent,
2 the Discovery Provisions of the APA and the Accusation filed by the Department of Real Estate
3 (“Department”) in this proceeding.

4 3. Respondents filed a Notice of Defense pursuant to Section 11506 of the
5 Government Code for the purpose of requesting a hearing on the allegations in the Accusation.
6 Respondents hereby freely and voluntarily withdraw said Notice of Defense. Respondents
7 acknowledge that they understand that by withdrawing said Notice of Defense they thereby
8 waive their right to require the Commissioner to prove the allegations in the Accusation at a
9 contested hearing held in accordance with the provisions of the APA and that they will waive
10 other rights afforded to them in connection with the hearing such as the right to present evidence
11 in their defense, and the right to cross-examine witnesses.

12 4. Respondents hereby admit that the factual allegations of the Accusation filed
13 in this proceeding are true and correct and the Real Estate Commissioner shall not be required to
14 provide further evidence of such allegations.

15 5. This Stipulation is made for the purpose of reaching an agreed disposition of
16 this proceeding and is expressly limited to this proceeding and not any other proceeding or case
17 in which the Department, or another licensing agency of this state, another state, or the federal
18 government is involved, and otherwise shall not be admissible in any criminal or civil
19 proceeding.

20 6. It is understood by the parties that the Real Estate Commissioner may adopt
21 this Stipulation as her Decision in this matter thereby imposing the penalty and sanctions on
22 Respondents’ real estate licenses and license rights as set forth in the below “Order.” In the event
23 that the Commissioner in her discretion does not adopt the Stipulation, the Stipulation shall be
24 void and of no effect and Respondents shall retain the right to a hearing and proceed on the
25 Accusation under the provisions of the APA and shall not be bound by any stipulation or waiver
26 made herein.

27 ///

1 7. The Order or any subsequent Order of the Real Estate Commissioner made
2 pursuant to this Stipulation shall not constitute an estoppel, merger or bar to any further
3 administrative or civil proceedings by the Department with respect to any matters which were
4 not specifically alleged to be causes for accusation in this proceeding.

5 DETERMINATION OF ISSUES

6 By reason of the foregoing, it is stipulated and agreed that the following
7 determination of issues shall be made:

8 I.

9 The conduct, acts or omissions of Respondent GREAT WALL REALTY, INC, as
10 set forth in the Accusation, are in violation of California Business and Professions Code
11 (“Code”) sections 10145 and Sections 2831.1, 2831.2, 2832.1, and 2832 of Title 10, Chapter 6
12 of the California Code of Regulations (“Regulations”) and are a basis for discipline of
13 Respondent’s licenses and licensing rights pursuant to Code sections 10177(d) and/or 10177(g).

14 II.

15 The conduct, acts or omissions of Respondent HONGHUA SHANG, as set forth in the
16 Accusation, are in violation of Code sections 10145 and 10159.2 and Sections 2725, 2831.1,
17 2831.2, 2832.1, and 2832 of the Regulations and are a basis for discipline of Respondent’s
18 licenses and licensing rights pursuant to Code sections 10177(d), 10177(g), and/or 10177(h).

19 ORDER

20 WHEREFORE, THE FOLLOWING ORDER is hereby made:

21 (GREAT WALL REALTY, INC)

22 I.

23 All licenses and licensing rights of Respondent GREAT WALL REALTY, INC
24 under the Real Estate Law are revoked; provided, however, a restricted real estate broker license
25 shall be issued to Respondent pursuant to Section 10156.5 of the Code if Respondent makes
26 application therefor and pays to the Department the appropriate fee for the restricted license
27 within 90 days from the effective date of this Decision and Order. The restricted license issued to

1 Respondent shall be subject to all of the provisions of Section 10156.7 of the Code and to the
2 following limitations, conditions and restrictions imposed under authority of Section 10156.6 of
3 that Code:

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

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

13 3. Respondent shall not be eligible to petition for the issuance of any unrestricted
14 real estate license nor for removal of any of the conditions, limitations or restrictions of a
15 restricted license until one (1) year has elapsed from the effective date of this Decision and
16 Order. Respondent shall not be eligible to apply for any unrestricted real estate licenses until all
17 restrictions attaching to the license have been removed.

18 (HONGHUA SHANG)

19 II.

20 All licenses and licensing rights of Respondent HONGHUA SHANG under the
21 Real Estate Law are revoked; provided, however, a restricted real estate broker license shall be
22 issued to Respondent pursuant to Section 10156.5 of the Code if Respondent makes application
23 therefor and pays to the Department the appropriate fee for the restricted license within 90 days
24 from the effective date of this Decision and Order. The restricted license issued to Respondent
25 shall be subject to all of the provisions of Section 10156.7 of the Code and to the following
26 limitations, conditions and restrictions imposed under authority of Section 10156.6 of that Code:
27

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

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

10 3. Respondent shall not be eligible to petition for the issuance of any unrestricted
11 real estate license nor for removal of any of the conditions, limitations or restrictions of a
12 restricted license until one (1) year has elapsed from the effective date of this Decision and
13 Order. Respondent shall not be eligible to apply for any unrestricted real estate licenses until all
14 restrictions attaching to the license have been removed.

15 4. Respondent shall, within nine (9) months from the effective date of this
16 Decision and Order, present evidence satisfactory to the Commissioner that Respondent has,
17 since the most recent issuance of an original or renewal real estate license, taken and successfully
18 completed the continuing education requirements of Article 2.5 of Chapter 3 of the Real Estate
19 Law for renewal of a real estate license. If Respondent fails to satisfy this condition,
20 Respondent's real estate license shall automatically be suspended until Respondent presents
21 evidence satisfactory to the Commissioner of having taken and successfully completed the
22 continuing education requirements. Proof of completion of the continuing education courses
23 must be delivered to the Department of Real Estate, Flag Section at 651 Bannon Street, Suite
24 500-D, Sacramento, CA 95811.

25 5. Respondent further agrees to provide proof satisfactory to the Commissioner of
26 having taken and successfully completed the continuing education course on trust fund
27 accounting and handling as specified in Paragraph (3) of subdivision (a) of Section 10170.5 of

1 the Business and Professions Code. Proof of satisfaction of this requirement includes evidence
2 that Respondent has successfully completed the trust fund accounting and handling continuing
3 education course within one hundred and twenty days (120) days prior to the effective date of the
4 Decision and Order in this matter. Proof of completion of the trust fund accounting and handling
5 course must be delivered to the Department of Real Estate, Flag Section at 651 Bannon Street,
6 Suite 500-D, Sacramento, CA 95811, within thirty (30) days from the effective date of this
7 Decision and Order. If Respondent fails to satisfy this condition in a timely manner as provided
8 for herein, all licenses and license rights of Respondent shall be automatically suspended unless
9 or until Respondent presents evidence satisfactory to the Commissioner of having taken and
10 successfully completed the continuing education course.

11 (AUDIT COSTS IN CASE NO. H-41723 LA)

12 III.

13 All licenses and licensing rights of Respondents are indefinitely suspended unless
14 or until Respondents, jointly and severally, pay the Commissioner's reasonable costs of the
15 follow-up audit (Audit No. LA220108) in Case No. H-41723 LA (Invoice #CA-M5044) totaling
16 \$5,340.22. Said payment shall be in the form of a cashier's check made payable to the
17 Department of Real Estate and must be delivered to the Department of Real Estate, Flag Section
18 at 651 Bannon Street, Suite 500-D, Sacramento, CA 95811, prior to the effective date of this
19 Decision and Order. If Respondents fail to satisfy this condition in a timely manner as provided
20 for herein, Respondents' real estate licenses shall automatically be suspended until payment is
21 made in full, or until a decision providing otherwise is adopted following a hearing held pursuant
22 to this condition.

23 (AUDIT COSTS IN CASE NO. No. H-42725 LA)

24 IV.

25 Pursuant to Code section 10148, Respondents shall pay, jointly and severally, the
26 Commissioner's reasonable costs for the audit which led to this disciplinary action. The total
27 amount of said audit costs is \$4,251.50. Respondents shall pay such costs within sixty (60) days

1 of receiving an invoice therefore from the Commissioner. Payment of the audit costs should not
2 be made until Respondent receives the invoice. If Respondents fail to satisfy this condition in a
3 timely manner as provided for herein, Respondents' real estate licenses shall automatically be
4 suspended until payment is made in full, or until a decision providing otherwise is adopted
5 following a hearing held pursuant to this condition.

6 (SUBSEQUENT AUDIT COSTS)

7 V.

8 Pursuant to Section 10148 of the Code, Respondents shall pay, jointly and
9 severally, the Commissioner's reasonable cost, not to exceed \$6,675.27, for an audit to determine
10 if Respondents have corrected the violation(s) found in the Determination of Issues. In
11 calculating the amount of the Commissioner's reasonable cost, the Commissioner may use the
12 estimated average hourly salary for all persons performing audits of real estate brokers, and shall
13 include an allocation for travel time to and from the auditor's place of work. Respondents shall
14 pay such cost within sixty (60) days of receiving an invoice therefore from the Commissioner.
15 Payment of the audit costs should not be made until Respondent receives the invoice. If
16 Respondents fail to satisfy this condition in a timely manner as provided for herein,
17 Respondents' real estate license shall automatically be suspended until payment is made in full,
18 or until a decision providing otherwise is adopted following a hearing held pursuant to this
19 condition.

20 (INVESTIGATION AND ENFORCEMENT COSTS)

21 VI.

22 Respondents shall, jointly and severally, pay the Commissioner's reasonable costs
23 of the investigation and enforcement which led to this disciplinary action. The total amount of
24 said investigation (\$2,334.99) and enforcement (\$963.60) costs is \$3,298.59. Said payment shall
25 be in the form of a cashier's check made payable to the Department of Real Estate. The
26 investigative and enforcement costs must be delivered to the Department of Real Estate, Flag
27 Section, at 651 Bannon Street, Suite 500-D, Sacramento, CA 95811 prior to the effective date of

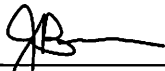
1 this Decision and Order. If Respondents fail to pay the costs of the investigation and enforcement
2 in accordance with the terms and conditions of the Decision and Order, all licenses and license
3 rights of Respondents shall be automatically suspended unless or until Respondents pay the costs
4 of the investigation and enforcement.

5 (CLOSURE OF TRUST ACCOUNT)

6 VII.

7 Respondents agree to disburse the remaining funds in the trust account (xxx8554)
8 at East West Bank, referred to as TA2 in the Accusation, to the beneficiaries of the funds prior to
9 closing the account. Respondents further agree to send proof satisfactory to the Commissioner of
10 having closed said account to the Department of Real Estate, Flag Section at 651 Bannon Street,
11 Suite 500-D, Sacramento, CA 9581, within thirty (30) days from the effective date of this
12 Decision and Order. If Respondents fail to satisfy this condition in a timely manner as provided
13 for herein, all licenses and license rights of Respondents shall be automatically suspended unless
14 or until Respondents provide proof satisfactory to the Commissioner of having closed said
15 account.

16 DATED: 6/11/2024

17 
18 Judith A. Buranday, Counsel for
19 Department of Real Estate

20 EXECUTION OF THE STIPULATION


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

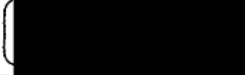
Respondents shall mail the original signed signature page of the stipulation herein

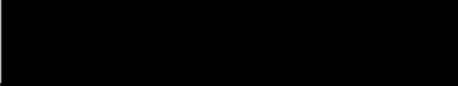
1 to Judith A. Buranday, Attention: Legal Section, Department of Real Estate, 320 W. Fourth St.,
2 Suite 350, Los Angeles, California 90013-1105.

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

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

16
17 DATED: 06/11/24 
18 GREAT WALL REALTY INC
19 Respondent
By: Honghua Shang

20
21 DATED: 06/11/24 
22 HONGHUA SHANG, individually and
23 as Designated Officer of Great Wall Realty Inc,
Respondent

24
25 DATED: 6/11/24 
26 Brian T. Smith, Esq.
27 Counsel for Respondent
Approved as to Form

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The foregoing Stipulation and Agreement is hereby adopted as my Decision as to Respondents GREAT WALL REALTY INC and HONGHUA SHANG and shall become effective at 12 o'clock noon on AUG 22 2024.

IT IS SO ORDERED 7/29/2024.

CHIKA SUNQUIST
REAL ESTATE COMMISSIONER



By: Marcus L. McCarther
Chief Deputy Real Estate Commissioner