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10 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
11 OF THE STATE OF CALIFORNIA
12

13	In the Matter of:)	OAH CASE NO.: 2016010276
14	THE COMMISSIONER OF BUSINESS)	
15	OVERSIGHT,)	SETTLEMENT AGREEMENT
16	Complainant,)	
17	v.)	Hearing Date: May 6-10, 2019
18	STEVE CHEN, LEONARD STACY)	Hearing Time: 9:00 a.m.
19	JOHNSON, and WEIWEN (WAYNE) ZHAO,)	Location: Office of Administrative Hearings
20	Respondents.)	320 West 4th Street, Suite 630
)	Los Angeles, California 90013
)	Assigned: Hon. Goldsby
)	
)	

21 This Settlement Agreement is entered into between the Commissioner of Business Oversight
22 (Commissioner) and Respondents Steve Chen (Chen), Leonard Stacy Johnson (Johnson) and
23 Weiwen Zhao (Zhao, and, collectively with Chen and Johnson, Respondents) and is made with
24 respect to the following facts:

25 **Recitals**

26 A. The Commissioner has jurisdiction over the licensing and regulation of persons and
27 entities under the provisions of the California Corporate Securities Law (CSL) of 1968 (Corp.
28 Code, § 25000 et seq.).

1 3. Orders. By waiving their rights as described in Paragraph 2 above, Chen, Johnson
2 and Zhao each understand, acknowledge and consent to the finality of the Order and the Amended
3 Order.

4 4. Full and Final Resolution. This Settlement Agreement is intended to constitute a full
5 and final resolution of the violations described in the Order and the Amended Order. The
6 Commissioner will not bring any further action or proceeding concerning the subject matter
7 described in the Order and the Amended Order, including but not limited to any action or
8 proceeding of any kind seeking any penalty, cost of prosecution, or monetary relief based on,
9 arising out of, or related to the subject matter of the Order and the Amended Order, unless she
10 discovers violations by Respondents that do not form the basis for this Settlement Agreement,
11 including violations knowingly concealed from the Commissioner.

12 5. Commissioner’s Duties. Nothing in this Settlement Agreement limits the
13 Commissioner’s ability to assist any other government agency with any action brought by that
14 agency (city, county, state or federal) with any prosecution, administrative, civil, and/or criminal
15 brought by any such agency against Respondents, including an action based on any of the acts,
16 omissions, or events described in this Settlement Agreement.

17 6. Independent Legal Advice. Each party represents that it has received independent
18 advice from its counsel or representatives regarding the advisability of executing this Settlement
19 Agreement.

20 7. Reliance. Each party represents that in executing this Settlement Agreement it has
21 relied solely on the statements in the Settlement Agreement and on the advice of its counsel or
22 representatives. Each party also represents that it has not relied on any statement or promise not
23 contained in this Settlement Agreement from any other person or on the failure of such person to
24 make a statement or promise. The parties have included this clause to preclude any claim that a
25 party was fraudulently induced to execute this Settlement Agreement.

26 8. Integration. This Settlement Agreement is the final written expression and the
27 complete and exclusive statement of all the agreements, conditions, promises, representations, and
28 covenants between the parties concerning its subject matter and supersedes all discussion regarding

1 such subject matter between the parties, their representatives, and any other person. The parties
2 have included this clause to preclude the introduction of parol evidence to vary, interpret,
3 supplement, or contradict the terms of this Settlement Agreement.

4 9. No Presumption Against Drafting Party. Each party acknowledges that it has had the
5 opportunity to draft, review, and edit the language of this Settlement Agreement. Accordingly, the
6 parties intend that no presumption for or against the drafting party will apply in construing any part
7 of this Settlement Agreement. The parties waive the benefit of Civil Code section 1654 as amended
8 or corresponding provisions of any successor statute, which provide that in cases of uncertainty,
9 language of a contract should be interpreted most strongly against the party that caused the
10 uncertainty to exist.

11 10. Waiver, Amendments, and Modifications. No waiver, amendment, or modification
12 of this Settlement Agreement will be valid or binding unless it is in writing and signed by all parties
13 affected by it. Waiver of a provision of this Settlement Agreement will not be deemed a waiver of
14 any other provision.

15 11. Third Party Actions. It is the intent and understanding between the parties that this
16 Settlement Agreement does not create any private rights or remedies against the Respondents or
17 create any liability for the Respondents or limits defenses of the Respondents against any person or
18 entity not a party to this Settlement Agreement.

19 12. Headings. The headings in this Settlement Agreement are for convenience only and
20 do not affect its meaning.

21 13. Governing Law. This Settlement Agreement will be governed by and construed in
22 accordance with the laws of the State of California.

23 14. Authority to Sign. Each party represents that the person signing this Settlement
24 Agreement on its behalf has the authority and capacity to do so.

25 15. Voluntary Agreement. Each of the Respondents enter into this Settlement
26 Agreement voluntarily and without coercion and acknowledges that no promises, threats, or
27 assurances about this Settlement Agreement have been made by the Commissioner or any of her
28 officers or agents.

1 Approved as to form:

2 Dated: 12/5/18

3 By: _____
4 Grant Gelberg, Esq.
5 Huang Ybarra Gelberg & May LLP
6 Counsel on behalf of Leonard Stacy Johnson

7 Dated: 12/5/18

8 By: _____
9 Marc S. Williams, Esq.
10 Cohen Williams LLP
11 Counsel on behalf of Weiwen (Wayne) Zhao

12 Dated: 12/5/18

13 By: _____
14 Jeremy D. Matz, Esq.
15 Bird, Marella, Boxer, Wolpert, Nessim, Drooks,
16 Lincenberg & Rhow, P.C.
17 Counsel on behalf of Steve Chen

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