

FILED

FEB 17 2012

DEPARTMENT OF REAL ESTATE
BY: *Richard Valencia*

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4 Los Angeles, CA 90013
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BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of

UNITED FIDELITY GROUP INC, TERENCE
MICHAEL FLANNIGAN and DONG S.
QUACH, individually, and as former
designated officers of United
Fidelity Group Inc,

Respondents.

No. H-37889 LA

A C C U S A T I O N

The Complainant, Maria Suarez, a Deputy Real Estate
Commissioner of the State of California, for cause of
Accusation against UNITED FIDELITY GROUP INC, TERENCE MICHAEL
FLANNIGAN and DONG S. QUACH, individually, and as former
designated officers of United Fidelity Group Inc, is informed
and alleges as follows:

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1.

The Complainant, Maria Suarez, a Deputy Real Estate Commissioner of the State of California, makes this Accusation in her official capacity.

2.

UNITED FIDELITY GROUP INC, (hereinafter "UFGI") is presently licensed and/or has license rights under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code, hereinafter "Code"), as a corporate real estate broker. UFGI was initially licensed by the California Department of Real Estate ("Department") on December 2, 2008.

3.

TERENCE MICHAEL FLANNIGAN (hereinafter "FLANNIGAN") is presently licensed and/or has license rights under the Real Estate Law, as a real estate broker. He was a designated officer of UFGI from December 2, 2008 to August 17, 2009.

4.

DONG S. QUACH (hereinafter "QUACH") is presently licensed and/or has license rights under the Real Estate Law, as a real estate broker. He was a designated officer of UFGI from April 14, 2009 to November 23, 2009.

5.

Pursuant to Code Section 10159.2, Respondents FLANNIGAN and QUACH were responsible for the supervision and control of the activities conducted on behalf of Respondent UFGI and by its officers and employees as necessary to secure full compliance with the provisions of the Real Estate Law, including

1 the supervision of salespersons licensed to the corporation in
2 the performance of acts for which a real estate license is
3 required.

4 6.

5 Shuman Transaction

6 On January 23, 2009, Cherlynn Shuman("Shuman") entered
7 into an agreement with UFGI in which UFGI agreed to negotiate a
8 modification of a loan secured by Shuman's property located at
9 248 Octillo Place, Oceanside, CA, in exchange for Shuman's
10 payment of advance fees to UFGI. Between January 23, 2009 and
11 March 6, 2009, Shuman paid \$3,020 in advance fees to UFGI.

12 7.

13 Brinca Transaction

14 On April 1, 2009, Steve Brinca("Brinca") entered into
15 an agreement with UFGI in which UFGI agreed to negotiate a
16 modification of a loan secured by Brinca's property located at
17 9034 Shoreham Drive, Los Angeles, CA, in exchange for Brinca's
18 payment of advance fees to UFGI. On April 1, 2009, Brinca paid
19 \$4,000 in advance fees to UFGI. Stacy Sayasane, who has never
20 been licensed by the Department in any capacity, negotiated with
21 Brinca's lender on behalf of UFGI.

22 8.

23 Arviso Transaction

24 On May 18, 2009, Jose Carlos Arviso("Arviso") entered
25 into an agreement with UFGI in which UFGI agreed to negotiate a
26 modification of a loan secured by Arviso's property located at
27 12734 SE 190th Place, Renton, WA, in exchange for Arviso's

1 payment of advance fees to UFGI. Between May 18, 2009 and June
2 18, 2009, Arviso paid \$1,495 in advance fees to UFGI.

3 9.

4 Mauck Transaction

5 After being solicited by Sam Evans, who has never been
6 licensed by the Department in any capacity, on June 11, 2009,
7 Joseph Long Mauck ("Mauck") entered into an agreement with UFGI
8 in which UFGI agreed to negotiate a modification of a loan
9 secured by Mauck's property located at 46966 Courtyard Sq. Unit
10 302, Sterling, VA, in exchange for Mauck's payment of advance
11 fees to UFGI. Among the terms of this agreement was a statement
12 that Mauck's advance fees would be placed in a trust account and
13 "UFGI will provide a verified accounting of these funds to the
14 Client at the end of each calendar quarter and at completion of
15 the contract." The agreement also stated the "the advance fee
16 paid by the Client is fully refundable until earned by UFGI."

17 On June 27, 2009, Mauck paid \$1,495 in advance fees to
18 UFGI. Mauck never received an accounting of his trust funds.
19 UFGI never obtained a modification of Mauck's loan. Nor did
20 UFGI refund the advance fees paid by Mauck.

21 10.

22 Hankins Transaction

23 In July 2009, Randy and Carole Hankins ("the Hankins")
24 were solicited for UFGI by Gladys Perez, who has never been
25 licensed by the Department in any capacity. On July 30, 2009,
26 the Hankins entered into an agreement with UFGI in which UFGI
27 agreed to negotiate a modification of a loan secured by the

1 14.

2 The use of the advance fee agreements referred to in
3 Paragraphs 8 through 11 above by UFGI and QUACH was in
4 violation of Code Sections 10085, 10085.5 and Regulation 2970.
5 This provides cause for the suspension or revocation of the
6 licenses and license rights of UFGI, FLANNIGAN and QUACH,
7 pursuant to Code Sections 10085, 10177(d) and/or 10177(g).

8 15.

9 The failure to provide trust fund accounting and
10 refunds, as promised in the agreements described in Paragraphs
11 9 through 11 above, constitute substantial misrepresentations
12 and/or negligence and incompetence, providing cause for the
13 suspension or revocation of the license and license rights of
14 UFGI and QUACH, pursuant to Code Sections 10176(a) and/or
15 10177(g). The failure to provide trust fund accounting and
16 refunds, as promised in the agreement described in Paragraph 9
17 above, provides cause for the suspension or revocation of the
18 license and license rights of FLANNIGAN, pursuant to Code
19 Sections 10176(a) and/or 10177(g).

20 16.

21 By employing unlicensed individual to engage in
22 activity requiring a broker license under Code Section
23 10131(d), as described in paragraphs 7 & 9 above, UFGI and
24 FLANNIGAN violated Code Section 10137. By employing unlicensed
25 individuals to engage in activity requiring a broker license
26 under Code Section 10131(d), as described in paragraphs 9 & 10
27 above, UFGI and QUACH violated Code Section 10137. This

1 subjects the real estate licenses and license rights of UFGI,
2 FLANNIGAN and QUACH to suspension or revocation pursuant to
3 Sections Code Sections 10137, 10177(d) and/or 10177(g).

4 17.

5 The overall conduct of Respondents FLANNIGAN and
6 QUACH constitutes a failure on their part, as officers
7 designated by a corporate broker licensee, to exercise the
8 reasonable supervision and control over the licensed activities
9 of UFGI as required by Code Section 10159.2, and to keep UFGI
10 in compliance with the Real Estate Law, and is cause for the
11 suspension or revocation of the real estate licenses and
12 license rights of FLANNIGAN and QUACH pursuant to the
13 provisions of Code Sections 10177(d), 10177(g) and 10177(h).

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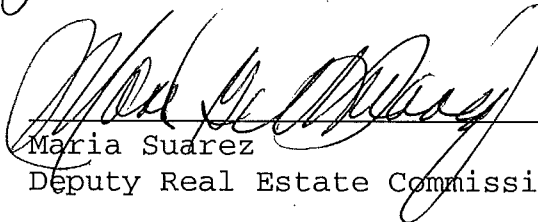
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1 WHEREFORE, Complainant prays that a hearing be
2 conducted on the allegations of this Accusation and that upon
3 proof thereof, a decision be rendered imposing disciplinary
4 action against all the licenses and license rights of
5 Respondents UNITED FIDELITY GROUP INC, TERENCE MICHAEL
6 FLANNIGAN and DONG S. QUACH, under the Real Estate Law, that
7 Complainant be awarded its costs of investigation and
8 prosecution of this case, and for such other and further relief
9 as may be proper under other applicable provisions of law.

10 Dated at Los Angeles, California

11 this 10th day of February, 2012

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15 Maria Suarez
16 Deputy Real Estate Commissioner
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24 cc: UNITED FIDELITY GROUP INC
25 TERENCE MICHAEL FLANNIGAN
26 DONG S. QUACH
27 Maria Suarez
Sacto.