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**FILED**

AUG - 1 2013

DEPARTMENT OF REAL ESTATE

BY: *[Signature]*

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BEFORE THE BUREAU OF REAL ESTATE

STATE OF CALIFORNIA

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In the Matter of the Accusation of )  
)  
SUNCOAST MORTGAGE CORP., )  
doing business as Suncoast Investments )  
Realty; and LOAN TUONG NGUYEN )  
individually and as designated )  
officer of Suncoast Mortgage Corp., )  
)  
Respondents. )  
)

No. H-37626 LA  
L-2011120.115

ORDER ACCEPTING VOLUNTARY SURRENDER OF REAL ESTATE LICENSE

On October 26, 2011, an Accusation was filed in this matter against Respondent SUNCOAST MORTGAGE CORP.

On February 22, 2013, Respondent petitioned the Commissioner to voluntarily surrender its real estate broker license rights pursuant to Section 10100.2 of the Business and Professions Code.

IT IS HEREBY ORDERED that Respondent SUNCOAST MORTGAGE CORP.'s petition for voluntary surrender of its real estate broker license rights is accepted as of the effective date of this Order as set forth below, based upon the understanding and agreement

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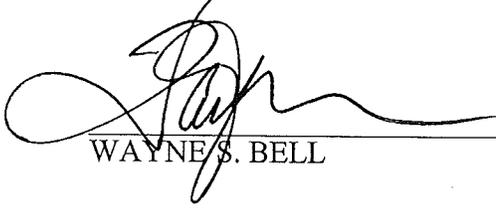
expressed in Respondent's Declaration dated February 22, 2013, (attached as Exhibit "A" hereto). Respondent's license certificate, pocket card and any branch office license certificate shall be sent to the below listed address so that they reach the Bureau on or before the effective date of this Order:

Bureau of Real Estate  
Atten: Licensing Flag Section  
P.O. Box 187000  
Sacramento, CA 95818-7000

This Order shall become effective at 12 o'clock noon on August 21, 2013.

DATED: 7/12, 2013

REAL ESTATE COMMISSIONER



WAYNE S. BELL

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"EXHIBIT A"

BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of	)	
	)	
<u>SUNCOAST MORTGAGE CORP.</u> ,	)	No. H-37626 LA
doing business as Suncoast Investments	)	L-2001120115
Realty; and LOAN TUONG NGUYEN	)	
individually and as designated	)	
officer of Suncoast Mortgage Corp.,	)	
	)	
Respondents.	)	
	)	

DECLARATION

My name is LOAN TUONG NGUYEN and I am currently licensed as an individual real estate broker and as the designated officer of SUNCOAST MORTGAGE CORP., which is licensed as a corporate real estate broker. The abovementioned licenses are current and have license rights. I am acting individually and on behalf of SUNCOAST MORTGAGE CORP. in this matter and I am authorized to sign this declaration on its behalf.

In lieu of proceeding in this matter in accordance with the provisions of the Administrative Procedure Act (Government Code sections 11400 et seq.), SUNCOAST MORTGAGE CORP. wishes to voluntarily surrender its real estate license issued by the

1 Department of Real Estate ("Department"), pursuant to Business and Professions Code section  
2 10100.2.

3 I understand that by voluntarily surrendering its license, SUNCOAST MORTGAGE  
4 CORP. can only have that license reinstated in accordance with the provisions of section 11522  
5 of the Government Code. I, LOAN TUONG NGUYEN, individually and on behalf of  
6 SUNCOAST MORTGAGE CORP., agree to the following:

7 1. The filing of this Declaration shall be deemed as a petition for voluntary surrender  
8 filed on behalf of SUNCOAST MORTGAGE CORP.

9 2. I, LOAN TUONG NGUYEN, acting on behalf of SUNCOAST MORTGAGE CORP.,  
10 waive all rights it may have to require the Commissioner to prove the allegations contained in the  
11 Accusation filed in this matter at a hearing held in accordance with the provisions of the  
12 Administrative Procedure Act (Government Code sections 11400 et seq.), and that it also waives  
13 other rights afforded to it in connection with the hearing such as the right to discovery, the right  
14 to present evidence in defense of the allegations in the Accusation and the right to cross-examine  
15 witnesses.

16 3. Respondent SUNCOAST MORTGAGE CORP. stipulates that the Commissioner may  
17 file and serve upon Respondent SUNCOAST MORTGAGE CORP., and that SUNCOAST  
18 MORTGAGE CORP. agrees to be subject to, an Order of Debarment pursuant to Business &  
19 Professions Code section 10087, barring Respondent, for a period of 36 months, from any  
20 position of employment, management, or control in any business activity involving real estate  
21 that is subject to regulation under Division 4 of the Business & Professions Code (beginning with  
22 section 10000); from participating in any business activity of a real estate salesperson or a real  
23 estate broker; from engaging in any real estate-related business activity on the premises where a  
24 real estate salesperson or real estate broker is conducting business; and from participating in any  
25 real estate-related business activity of a finance lender, residential mortgage lender, bank, credit  
26 union, escrow company, title company, or underwritten title company.

27

02/21/2013 THU 13:58 FAX

007/007

1           4. This Declaration is made for the purpose of reaching a resolution of allegations  
 2 contained in the DRE Case number H-37626 LA, and is expressly limited to this proceeding and  
 3 any other proceeding or case in which the Department of Real Estate is a party and shall not  
 4 otherwise be admissible or relied upon by any third parties for any purpose.

5           5. Respondent SUNCOAST MORTGAGE CORP. stipulates that all affidavits and all  
 6 relevant evidence obtained by the Department in this matter prior to the Commissioner's  
 7 acceptance of this petition for voluntary surrender, and all allegations contained in the  
 8 Accusation filed in the Department's Case No. H-37626 LA may be considered by the  
 9 Department when deciding whether or not to grant reinstatement of the real estate licenses of  
 10 Respondents pursuant to Government Code Section 11522.

11           I declare under penalty of perjury under the laws of the State of California that the above  
 12 is true and correct and that I am acting freely and voluntarily on behalf of SUNCOAST  
 13 MORTGAGE CORP., to surrender the corporate real estate broker license issued to SUNCOAST  
 14 MORTGAGE CORP., and all license rights attached thereto.

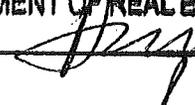
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*Loan Tuong Nguyen* / President      Feb 22, 2013  
 \_\_\_\_\_  
 SUNCOAST MORTGAGE CORP. by      Dated  
 LOAN TUONG NGUYEN, President,  
 and as Designated Officer

**FILED**

AUG - 1 2013

DEPARTMENT OF REAL ESTATE

BY: 

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BEFORE THE BUREAU OF REAL ESTATE  
STATE OF CALIFORNIA

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In the Matter of the Accusation of )  
)  
SUNCOAST MORTGAGE CORP., )  
doing business as Suncoast Investments )  
Realty; and LOAN TUONG NGUYEN )  
individually and as designated )  
officer of Suncoast Mortgage Corp., )  
)  
Respondents. )  
)

No. H-37626 LA  
L-2011120115

ORDER ACCEPTING VOLUNTARY SURRENDER OF REAL ESTATE LICENSE

On October 26, 2011, an Accusation was filed in this matter against Respondent  
LOAN TUONG NGUYEN.

On February 22, 2013, Respondent petitioned the Commissioner to voluntarily  
surrender her real estate broker license rights pursuant to Section 10100.2 of the Business and  
Professions Code.

IT IS HEREBY ORDERED that Respondent LOAN TUONG NGUYEN's  
petition for voluntary surrender of her real estate broker license rights is accepted as of the  
effective date of this Order as set forth below, based upon the understanding and agreement

1 expressed in Respondent's Declaration dated February 22, 2013, (attached as Exhibit "A"  
2 hereto). Respondent's license certificate, pocket card and any branch office license certificate  
3 shall be sent to the below listed address so that they reach the Bureau on or before the effective  
4 date of this Order:

5  
6 Bureau of Real Estate  
7 Atten: Licensing Flag Section  
8 P.O. Box 187000  
9 Sacramento, CA 95818-7000

10 This Order shall become effective at 12 o'clock noon on August 21, 2013.

11 DATED: 7/12, 2013

12 REAL ESTATE COMMISSIONER

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16 WAYNE S. BELL

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EXHIBIT "A"

BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

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In the Matter of the Accusation of	)	
	)	
SUNCOAST MORTGAGE CORP.,	)	No. H-37626 LA
doing business as Suncoast Investments	)	L-2001120115
Realty; and <u>LOAN TUONG NGUYEN</u>	)	
individually and as designated	)	
officer of Suncoast Mortgage Corp.,	)	
	)	
Respondents.	)	
	)	

DECLARATION

My name is LOAN TUONG NGUYEN and I am currently licensed as a real estate broker and/or have license rights with respect to said license.

In lieu of proceeding in this matter in accordance with the provisions of the Administrative Procedure Act (Sections 11400 et seq., of the Government Code), I wish to voluntarily surrender my real estate license and license rights issued by the Department of Real Estate ("Department"), pursuant to Business and Professions Code Section 10100.2.

1 I understand that by so voluntarily surrendering my license rights, I may be  
2 relicensed as a broker or as a salesperson by petitioning for reinstatement pursuant to Section  
3 11522 of the Government Code. I also understand that by so voluntarily surrendering my  
4 license(s), I agree to the following:

5 1. The filing of this Declaration shall be deemed as my petition for voluntary  
6 surrender.

7  
8 2. It shall also be deemed to be an understanding and agreement by me that I  
9 waive all rights I have to require the Commissioner to prove the allegations contained in the  
10 Accusation ("Accusation") filed in this matter at a hearing held in accordance with the  
11 provisions of the Administrative Procedure Act (Government Code Sections 11400 et seq.), and  
12 that I also waive other rights afforded to me in connection with the hearing such as the right to  
13 discovery, the right to present evidence in defense of the allegations in the Accusation and the  
14 right to cross-examine witnesses.

15  
16 3. This Declaration is made for the purpose of reaching a resolution of  
17 allegations contained in the DRE Case number H-37626 LA, and is expressly limited to this  
18 proceeding and any other proceeding or case in which the Department of Real Estate is a party  
19 and shall not otherwise be admissible or relied upon by any third parties for any purpose.

20  
21 4. I further agree that upon acceptance by the Commissioner, as evidenced by an  
22 appropriate order, all affidavits and all relevant evidence obtained by the Department in this  
23 matter prior to the Commissioner's acceptance, and all allegations contained in the Accusation  
24 filed in the Department Case No. H-37626 LA, with respect to me may be considered by the  
25 Department when deciding whether to grant re-licensure or reinstatement pursuant to  
26 Government Code Section 11522.  
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5. Respondent LOAN TUONG NGUYEN stipulates that the Commissioner may file and serve upon said Respondent that LOAN TUONG NGUYEN agrees to be subject to, an Order of Debarment pursuant to Business & Professions Code section 10087, barring Respondents, for a period of 36 months, from any position of employment, management, or control in any business activity involving real estate that is subject to regulation under Division 4 of the Business & Professions Code (beginning with section 10000); from participating in any business activity of a real estate salesperson or a real estate broker; from engaging in any real estate-related business activity on the premises where a real estate salesperson or real estate broker is conducting business; and from participating in any real estate-related business activity of a finance lender, residential mortgage lender, bank, credit union, escrow company, title company, or underwritten title company.

6. I freely and voluntarily surrender all my licenses and license rights under the Real Estate Law.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct and that this declaration was executed on Feb. 22 2013, at Costa Mesa California.

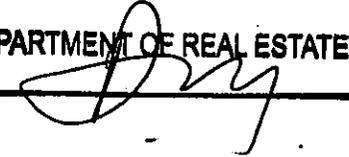
  
LOAN TUONG NGUYEN

1 Elliott Mac Lennan, Counsel (SBN 66674)  
2 Department of Real Estate  
3 320 West 4th Street, Suite 350  
Los Angeles, California 90013-1105

4 Telephone: (213) 576-6982  
5 (Direct) (213) 576-6911

**FILED**

OCT 26 2011

DEPARTMENT OF REAL ESTATE  
BY: 

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8 BEFORE THE DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of )  
12 )  
13 SUNCOAST MORTGAGE CORP., )  
14 doing business as Suncoast Investments )  
15 Realty; and LOAN TUONG NGUYEN )  
16 individually and as designated )  
17 officer of Suncoast Mortgage Corp., )  
Respondents. )

No. H- 37626 LA

ACCUSATION

18 The Complainant, Maria Suarez, a Deputy Real Estate Commissioner of the State  
19 of California, for cause of Accusation against SUNCOAST MORTGAGE CORP. ("SMC") dba  
20 Suncoast Investments Realty and LOAN TUONG NGUYEN, aka Lynn Loan Nguyen  
21 ("NGUYEN"), individually and as designated officer of Suncoast Mortgage Corp. (collectively  
22 "Respondents"), is informed and alleges as follows:

23 1.

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

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2.

From August 17, 2000, through the present, Respondent SMC has been licensed as a real estate corporation. At all times relevant herein, SMC was acting by and through Respondent NGUYEN as its designated broker-officer pursuant to Business and Professions Code ("Code") Section 10159.2 to be responsible for ensuring compliance with the Real Estate Law. Respondent SMC is licensed to do business as Suncoast Investments Realty.

3.

From August 17, 2000 through the present, Respondent NGUYEN has been licensed as a real estate broker.

4.

Whenever reference is made in an allegation in this Accusation to an act or omission of "Respondents", such allegation shall be deemed to mean that the officers, directors, employees, agents and real estate licensees employed by or associated with Respondents committed such act or omission while engaged in the furtherance of the business or operations of Respondents and while acting within the course and scope of their corporate authority and employment.

FIRST CAUSE OF ACCUSATION

(Substantial Misrepresentations/Fraud/Dishonest Dealing via Sham Escrow)

5.

At no time mentioned herein have Direct Investments, LLC, D.I. Investments, LLC, D.I. Financial Services, LLC and Lynn Eichenberger ever been licensed by the Department in any capacity.

7705 Timber Cir.

6.

On or about September 17, 2009, Respondent NGUYEN induced buyer Donna Doan to enter into a purchase and sale agreement with joint escrow instructions ("purchase agreement") for the purchase of real property located at 7705 Timber Cir., Huntington Beach,

1 California ("7705 Timber Cir. property"). The purchase agreement listed Donna Doan as the  
2 buyer and Suncoast Investments Realty as the seller of the 7705 Timber Cir. property. The  
3 purchase agreement stated that Donna Doan's earnest money deposit of \$93,125 was to be wired  
4 to Bank Account No. xxxxxx0819 at First Vietnamese American Bank. SMC's escrow division  
5 was to handle the escrow. Escrow was to close on or before November 30, 2009, at which time  
6 the seller was to deliver a grant deed for the 7705 Timber Cir. property to the buyer.

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8 7.

9 Respondent NGUYEN made various misrepresentations to Donna Doan including  
10 that Suncoast Investments Realty held title to the 7705 Timber Cir. property. Suncoast  
11 Investments Realty was not the true owner of the 7705 Timber Cir. property. Respondent  
12 NGUYEN transferred some or all of Donna Doan's earnest money deposit to D.I. Financial  
13 Services, LLC prior to the close of escrow. Escrow never closed on this transaction and Suncoast  
14 Investments Realty never delivered a grant deed for the 7705 Timber Cir. property to Donna  
15 Doan. Respondents refused to refund any part of Donna Doan's earnest money deposit.

16 1721 Park Street

17 8.

18 On or about September 17, 2009, Respondent NGUYEN induced buyers John  
19 Truong and Katrina Pham to enter into a purchase agreement for the purchase of real property  
20 located at 1721 Park Street, Huntington Beach, California ("1721 Park St. property"). The  
21 purchase agreement listed Suncoast Investments Realty as the seller of the 1721 Park St.  
22 property. The purchase agreement stated that the buyers' earnest money deposit of \$331,250 was  
23 to be wired to Bank Account No. xxxxxx0819 at First Vietnamese American Bank. SMC's  
24 escrow division was to handle the escrow. Escrow was to close on or before November 30, 2009  
25 at which time the seller was to deliver a grant deed for the 1721 Park St. property to the buyers.

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Respondent NGUYEN made various misrepresentations to buyers John Truong and Katrina Pham including that Suncoast Investments Realty held title to the 1721 Park St. property. Suncoast Investments Realty was not the true owner of the 1721 Park St. property. Respondent NGUYEN transferred some or all of John Truong and Katrina Pham's earnest money deposit to D.I. Financial Services, LLC prior to the close of escrow. Escrow never closed on this transaction and Suncoast Investments Realty never delivered a grant deed for the 1721 Park St. property to John Truong and Katrina Pham. Respondents refused to refund any part of John Truong and Katrina Pham's earnest money deposit.

18648 Cedar Cir.

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On or about October 6, 2009, Respondent NGUYEN induced buyers Lyndon Phan and Phuong-Ly Bui to enter into a purchase agreement for the purchase of real property located at 18648 Cedar Cir., Fountain Valley, California ("18648 Cedar Cir. property"). The purchase agreement listed Suncoast Investments Realty as the seller of the 18648 Cedar Cir. property. The purchase agreement stated that the buyers' earnest money deposit of \$240,000 was to be held by SMC's escrow division. Escrow was to close on or before December 10, 2009, at which time the seller was to deliver a grant deed for the 18648 Cedar Cir. property to the buyers.

11.

Respondent NGUYEN made various misrepresentations to buyers Lyndon Phan and Phuong-Ly Bui including that Suncoast Investments Realty held title to the 18648 Cedar Cir. Property. Suncoast Investments Realty was not the true owner of the 18648 Cedar Cir. property. Respondent NGUYEN transferred some or all of Lyndon Phan and Phuong-Ly Bui's earnest money deposit to D.I. Financial Services, LLC prior to the close of escrow. Escrow never closed on this transaction and Suncoast Investments Realty never delivered a grant deed for the 18648 Cedar Cir. property to Lyndon Phan and Phuong-Ly Bui. Respondents refused to refund any part of Lyndon Phan and Phuong-Ly Bui's earnest money deposit.



1 property. The purchase agreement stated that Hanh Dao's earnest money deposit of \$207,500  
2 would be held in escrow by SMC's escrow division. Escrow was to close on or before February  
3 28, 2010, at which time the seller was to deliver a grant deed for the 12041 Gilbert St. property to  
4 the buyer.

5  
6 15.

7 Respondent NGUYEN made various misrepresentations to Hanh Dao including  
8 that Suncoast Investments Realty held title to the 12041 Gilbert St. property. Suncoast  
9 Investments Realty was not the true owner of the 12041 Gilbert St. property. Respondent  
10 NGUYEN transferred some or all of Hanh Dao's earnest money deposit to D.I. Financial  
11 Services, LLC prior to the close of escrow. Escrow never closed on this transaction and Suncoast  
12 Investments Realty never delivered a grant deed for the 12041 Gilbert St. property to Hanh Dao.  
13 Respondents refused to refund any part of Hanh Dao's earnest money deposit.

14 134 S. Magnolia Ave. #19C

15 16. .

16 On or about November 6, 2009, Respondent NGUYEN induced buyer Helen Hoa  
17 Nguyen to enter into a purchase agreement for the purchase of real property located at 134 S.  
18 Magnolia Ave. #19C, Anaheim, California ("134 S. Magnolia Ave. #19C property"). The  
19 purchase agreement listed Helen Hoa Nguyen as the buyer and Suncoast Investments Realty as  
20 the seller of the 134 S. Magnolia Ave. #19C property. The purchase agreement stated that Helen  
21 Hoa Nguyen's earnest money deposit of \$80,000 would be held in escrow by SMC's escrow  
22 division. Escrow was to close and the seller was to deliver possession of the 134 S. Magnolia  
23 Ave. #19C property to the buyer by January 15, 2010.

24 17.

25 Respondent NGUYEN made various misrepresentations to Helen Hoa Nguyen  
26 including that Suncoast Investments Realty held title to the 134 S. Magnolia Ave. #19C property.  
Suncoast Investments Realty was not the true owner of the 134 S. Magnolia Ave. #19C property.

1 Respondent NGUYEN transferred some or all of Helen Hoa Nguyen's earnest money deposit to  
2 D.I. Financial Services, LLC prior to the close of escrow. Escrow never closed on this  
3 transaction and Suncoast Investments Realty never delivered a grant deed or possession for the  
4 134 S. Magnolia Ave. #19C property to Helen Hoa Nguyen. Respondents refused to refund any  
5 part of Helen Hoa Nguyen's earnest money deposit.

6 19342 Baywater Lane

7 18.

8 On or about November 2, 2009, Respondent NGUYEN induced homeowner Oanh  
9 Nguyen to enter into a "Cash for Keys" agreement with Direct Investments, LLC for the sale of  
10 real property located at 19342 Baywater Lane, Huntington Beach, California ("19342 Baywater  
11 Lane property"). The 19342 Baywater Lane property was in default and facing foreclosure. Said  
12 Cash for Keys agreement listed Oanh Nguyen as the seller of the 19342 Baywater Lane property.  
13 The purchase agreement stated that Oanh Nguyen would receive six (6) percent of the sale price  
14 for the 19342 Baywater Lane property and that Oanh Nguyen's current lender would be paid in  
15 full. Respondent NGUYEN further induced Oanh Nguyen to sign a limited power of attorney for  
16 D.I. Financial Services, LLC.

17 19.

18 Oanh Nguyen subsequently discovered that a Deed of Trust and Assignment of  
19 Rents for the 19342 Baywater Lane property containing her forged signature had been notarized  
20 and recorded on November 9, 2009.

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TABLE: SHAM ESCROW VICTIMS

Victim/Buyer	Seller; True Owner?	Escrow Agent	Date	Earnest Money Deposits Paid Into Escrow	Fraudulent Payee	Deposit Status
<b>D. Doan</b>						
7705 Timber Cir.	Suncoast Investments Realty; No	In House Escrow	9/17/09	\$ 93,125.00	D.I. Financial Services, LLC	Converted; refund refused
Sub-Total				\$ 93,125.00		
<b>J/K Pham</b>						
1721 Park Street	Suncoast Investments Realty; No	In House Escrow	9/17/09	\$ 331,250.00	D.I. Financial Services, LLC	Converted; refund refused
Sub-Total				\$ 424,375.00		
<b>Phan/Bui</b>						
18648 Cedar Cir.	Suncoast Investments Realty; No	In House Escrow	9/6/09	\$ 240,000.00	D.I. Financial Services, LLC	Converted; refund refused
1800 N. Holbrook	Suncoast Investments Realty; No	In House Escrow	9/26/09	\$ 138,000.00	D.I. Financial Services, LLC Or unknown	Converted; refund refused
Sub-Total				\$ 802,375.00		
<b>H. Dao</b>						
12041 Gilbert Street	Suncoast Investments Realty; No	In House Escrow	11/6/09	\$ 207,500.00	D.I. Financial Services, LLC	Converted; refund refused
Sub-Total				\$1,009,875.00		
<b>H. Hoa</b>						
134 S. Magnolia #19 C	Suncoast Investments Realty; No	In House Escrow	11/6/09	\$ 80,000.00	D.I. Financial Services, LLC	Converted; refund refused
Sub-Total				\$ 1,089,875		
<b>O. Nguyen</b>						
19342 Baywater	O. Nguyen	In House Escrow	11/2/09	Cash for Keys (no deposit)	n/a	O. Nguyen promised 6% of Sale Price; none received
Sub-Total					No proceeds	
<b>Total</b>				<b>\$1,089,875.00</b>		

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The conduct, acts and/or omissions of Respondents SMC and NGUYEN as alleged above, constitute making substantial misrepresentations, false promises, willful violations of the Real Estate Law, fraud, dishonest dealing and/or negligence and conversion and are grounds for the suspension or revocation of Respondents SMC and NGUYEN's licenses under Code Sections 10176(a), 10176(b), 10176(i) and/or 10177(g).

SECOND CAUSE OF ACCUSATION  
(Audit of SUNCOAST MORTGAGE CORP.)

22.

There is hereby incorporated in this second, separate Cause of Accusation, all of the allegations contained in Paragraphs 1 through 21 above, with the same force and effect as if herein fully set forth.

23.

At all times mentioned, in the State of California, Respondent SMC acted as a corporate real estate broker and conducted licensed activities within the meaning of:

- A. Code Section 10131(a). SMC operated a residential resale brokerage;
- B. Code Section 10131(b). SMC solicited and/or offered to negotiate the sale, purchase or exchange of leases on real property or on a business opportunity;
- C. Code Section 10131(d). SMC operated a mortgage and loan brokerage; and
- D. In addition, SMC conducted broker-controlled in-house escrows through its escrow division, under the exemption set forth in California Financial Code Section 17006(a)(4) for real estate brokers performing escrows incidental to a real estate transaction where the broker was a party and where the broker was performing acts for which a real estate license is required.

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24.

AUDIT

On January 27, 2011, the Department completed an audit examination of the books and records of Respondent SMC pertaining to the broker-escrow activities described in Paragraph 23, which require a real estate license. The audit examination covered a period of time beginning on July 1, 2007 to August 31, 2010. The audit examination revealed violations of the Code and the Title 10, Chapter 6, California Code of Regulations ("Regulations") set forth in the following paragraphs, and more fully set forth in Audit Report LA 100043 and the exhibits and work papers attached thereto.

TRUST ACCOUNT

25.

At all times mentioned, in connection with the activities described in Paragraph 23, above, SMC accepted or received funds including funds in trust ("trust funds") from or on behalf of actual or prospective parties to transactions including buyers, sellers, lenders and borrowers handled by SMC and thereafter made deposits and or disbursements of such funds. From time to time herein mentioned, during the audit period, said trust funds were deposited and/or maintained by SMC in the bank account as follows:

"SUNCOAST MORTGAGE CORP. Escrow Trust Acct. ("escrow trust account")

XXXXXXXX0819"

First Vietnamese American Bank

Westminster, California

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1 VIOLATIONS OF THE REAL ESTATE LAW

2 26.

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4 In the course of activities described in Paragraphs 23 and 25, above, and during  
5 the examination period, described in Paragraph 24, Respondents SMC and NGUYEN, acted in  
6 violation of the Code and the Regulations in that Respondents:

7 (a) Permitted, allowed or caused the disbursement of trust funds from the escrow  
8 trust account, where the disbursement of funds reduced the total of aggregate funds in the escrow  
9 trust account, to an amount which, on August 31, 2010, was at a minimum \$3,575,908.08, less  
10 than the existing aggregate trust fund accountability of SMC to every principal who was an  
11 owner of said funds, without first obtaining the prior written consent of the owners of said funds,  
12 in violation of Code Section 10145(a) and Regulations 2832.1, 2950(d), 2950(g) and 2951.

13  
14 (b) Failed to maintain a control record in the form of a columnar record in  
15 chronological order of all trust funds received, deposited and disbursed by SMC's in-house  
16 through the instrumentality of SMC's escrow trust account, in violation of Code Section 10145  
17 and Regulations 2831, 2950(d) and 2951.

18 (c) Failed to maintain a separate record for each beneficiary or escrow  
19 transaction, thereby failing to account for all trust funds collected, in violation of Code Section  
20 10145 and Regulations 2831.1, 2950(d) and 2951.

21  
22 (d) Failed to maintain the monthly reconciliation of all the separate records to the  
23 control record of all trust funds received and disbursed for the broker escrow activity, in violation  
24 of Code Section 10145 and Regulations 2831.2, 2950(d) and 2951.

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1 (e) Allowed Thang Vy Nguyen to be a signatory on the trust account, when he  
2 was not licensed by the Department in any capacity and was not covered by a fidelity bond, in  
3 violation of Code Section 10145 and Regulations 2834 and 2951.

4 (f) Failure to have buyers and sellers sign or initial escrow instructions or  
5 amended escrow instructions, in violation of Code Section 10145 and Regulation 2950(b).  
6

7 (g) Failed to deliver to buyers and sellers copies of escrow instructions, amended  
8 instructions and/or supplemental escrow instructions, in violation of Code Section 10145 and  
9 Regulation 2950(c).

10 (h) Failed to advise all parties in writing that Respondent NGUYEN had an  
11 interest as a stockholder, officer, partner or owner of the agency holding the escrow, in violation  
12 of Code Section 10145 and Regulation 2950(h).

13 (i) Collected initial earnest money deposits from buyers to purchase properties.  
14 SMC provided purchase contracts to buyers and the purchase contracts indicated that SMC's dba  
15 Suncoast Investments Realty was the seller; however, Suncoast Investments Realty was not the  
16 owner of said properties, in violation of Code Section 10176(a).  
17

18 (j) Collected money from buyers and transferred \$1,456,500 of said funds from  
19 SMC's escrow trust account to others. Additionally, SMC provided escrow instructions and  
20 amended instructions that were not signed by the buyer or seller which instructed SMC to wire  
21 trust funds from SMC's escrow trust account to Direct Investments Financial, LLC, in violation  
22 of Code Sections 10176(i) and 10145.

23 (k) Respondent NGUYEN disbursed funds from SMC's escrow trust account and  
24 transferred funds in the amount of \$155,000 to Respondent NGUYEN's personal and business  
25 accounts including but not limited to D.I. Financial Services Inc. without documentation to  
26

1 explain or account for said transfers, in violation of Code Sections 10176(e), 10145 and  
2 Regulation 2832.

3 (l) Failed to disclose SMC's license number on solicitation materials that were  
4 intended to be the first point of contact with consumers, in violation of Code Section 10140.6 and  
5 Regulation 2773.

6 (m) SMC failed to make the licenses of seven of its real estate salespersons  
7 available for inspection during the audit, in violation of Code Section 10160 and Regulation  
8 2753.

9 (n) SMC failed to notify the Department of the termination of employment of its  
10 salesperson Ta Trung Nguyen (Department License No. 01259034) within five (5) days, as  
11 required under Code Section 10161.8 and Regulation 2752 and in violation thereunder.

12 (o) SMC failed to have a written broker-salesperson relationship agreement with  
13 its salesperson Ta Trung Nguyen, as required under Regulation 2726 and in violation thereunder.

14 (p) Failure to retain all required records including, but not limited to, escrow files  
15 trust fund records, escrow receipts, invoices, canceled checks, and records of disbursements  
16 related to trust funds, salesperson license certificates and agreements, in violation of Code  
17 Section 10148 and Regulation 2950(e).

18 (q) Respondent NGUYEN failed to exercise reasonable control and supervision  
19 over the activities conducted by SMC's employees and/or licensees as necessary to secure full  
20 compliance with the Real Estate laws, as required under Code Section 10159.2 and Regulation  
21 2725, is in violation of Code Section 10177(h).

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23 ///

The conduct of Respondents SMC and NGUYEN, described in Paragraph 26, above, violated the Code and the Regulations as set forth below:

<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
26(a)	Code Section 10145 and Regulations 2832.1, 2950(d), 2950(g) and 2951
26(b)	Code Section 10145 and Regulations 2831, 2950(d) and 2951
26(c)	Code Section 10145 and Regulations 2831.1, 2950(d) and 2951
26(d)	Code Section 10145 and Regulations 2831.2, 2950(d) and 2951
26(e)	Code Section 10145 and Regulations 2834 and 2951
26(f)	Code Section 10145 and Regulation 2950(b)
26(g)	Code Section 10145 and Regulation 2950(c)
26(h)	Code Section 10145 and Regulation 2950(h)
26(i)	Code Section 10176(a)
26 (j)	Code Sections 10176(i) and 10145
26(k)	Code Sections 10176(e) and 10145 and Regulation 2832
26 (l)	Code Section 10140.6 and Regulation 2773

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- 26 (m) Code Section 10160 and Regulation 2753
  - 26 (n) Code Section 10161.8 and Regulation 2725
  - 26 (o) Regulation 2726
  - 26 (p) Code Section 10148 and Regulation 2950(e)
  - 26 (q) Code Sections 10177(h) and 10159.2 and Regulation 2725
- 28.

The foregoing violations constitute cause for the suspension or revocation of the real estate licenses and license rights of Respondents SMC and NGUYEN under the provisions of Code Sections 10148, 10176(a), 10176(e), 10176(i), 10177(d) and/or 10177(g).

THIRD CAUSE OF ACCUSATION  
(Negligence)

29.

The overall conduct of Respondents SMC and NGUYEN constitutes negligence and is cause for discipline of the real estate license and license rights of said Respondents pursuant to the provisions of Code Section 10177(g).

FOURTH CAUSE OF ACCUSATION  
(Fiduciary Duty)

30.

The conduct, acts and omissions of Respondents SMC and NGUYEN constitute a breach of fiduciary duty, owed to SMC's clients, of good faith, trust, confidence and candor, within the scope of their contractual relationship and for falsely misrepresenting property ownership and for failing to render services promised, in violation of Code Sections 10176(i) and/or 10177(g) and constitutes cause for discipline of the real estate license and license rights of said Respondents pursuant to the provisions of Code Section 10177(g).

1  
2 FIFTH CAUSE OF ACCUSATION  
3 (Supervision and Compliance)

4 31.

5 The overall conduct of Respondent NGUYEN constitutes a failure on said  
6 Respondent's part, as officer designated by a corporate broker licensee, to exercise the reasonable  
7 supervision and control over the licensed activities of SMC and its officers and employees, as  
8 required by Code Section 10159.2 and Regulation 2725, and to keep SMC in compliance with the  
9 Real Estate Law, with specific regard to trust fund and advance fee handling, mortgage and loan  
10 brokering and loan modification services, and is cause for discipline of the real estate license and  
11 license rights of Respondent pursuant to the provisions of Code Sections 10177(d), 10177(g) and  
12 10177(h).

13 SIXTH CAUSE OF ACCUSATION  
14 (World Wide Affinity Fraud)  
15 (NGUYEN)

16 32.

17 Under the ruse of seeking buyers for properties facing foreclosure, Respondent  
18 Nguyen advertised to the world wide Vietnamese community soliciting deposits for properties  
19 she falsely claimed she owned, placed collected buyer deposits would-be purchasers, into SMC's  
20 in-house escrow controlled by her, then converted those trust funds by paying them out to other  
21 entities unconnected to SMC's escrow or to herself, in violation of Code Section 10176(c) and  
22 10176(i) and/or 10177(j), for a continued and flagrant course of misrepresentation or making of  
23 false promises through real estate agents or salespersons and for fraud and dishonest dealing.

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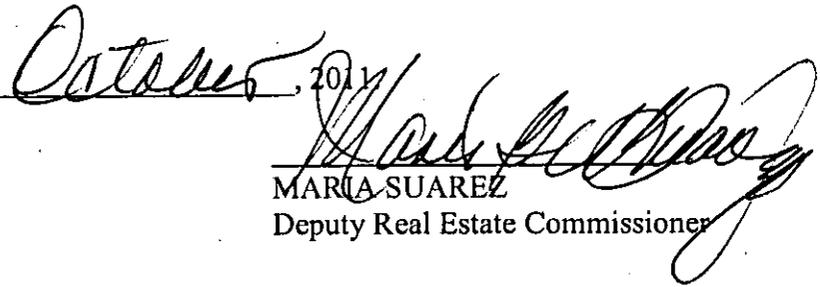
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1 WHEREFORE, Complainant prays that a hearing be conducted on the allegations  
2 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary  
3 action against all licenses and/or license rights of Respondents SUNCOAST MORTGAGE  
4 CORP. and LOAN TUONG NGUYEN, individually and as designated officer of Suncoast  
5 Mortgage Corp., under the Real Estate Law (Part 1 of Division 4 of the California Business and  
6 Professions Code) and for such other and further relief as may be proper under other applicable  
7 provisions of law, including but not limited to, restitution and costs of audit.

8 Dated at Los Angeles, California.

9  
10 this 19<sup>th</sup> day of October, 2011  
11   
12 MARCA SUAREZ  
13 Deputy Real Estate Commissioner

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22 cc: Suncoast Mortgage Corp.  
23 Loan Tuong Nguyen  
24 Maria Suarez  
25 Eleazar Galano  
26 Audits - Isabel Beltran  
Sacto