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FILED
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DEPARTMENT OF REAL ESTATE
By L. Kwong

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of HONG XUAN VO, Respondent.	NO. H-12344 SF ACCUSATION

The Complainant, ROBIN S. TANNER, acting in her official capacity as a Supervising Special Investigator of the State of California, for cause of Accusation against HONG XUAN VO (Respondent), is informed and alleges as follows:

1

At all times herein mentioned, Respondent was and is presently licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code (the Code) by the Department of Real Estate (the Department) as a real estate broker.

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At all times herein mentioned, Respondent was the President, Chief Executive Officer, Chief Financial Officer, and Secretary of Silver Creek Realty, Inc. (SCR), a California Corporation.

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At all times herein mentioned, Respondent, through SCR, owned real property known as 140 Santa Rosa Drive, San Jose, California (Subject Property).

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At all times herein mentioned, Respondent engaged in the business of, acted in the capacity of, advertised, or assumed to act as a real estate broker within the State of California, within the meaning of Section 10131(a) of the Code, including the operation and conduct of a residential resale brokerage wherein Respondent bought, sold or offered to buy or sell, solicited prospective sellers or purchasers of, solicited or obtained listings of, or negotiated the purchase, sale or exchange of real property or a business opportunity, in expectation of compensation.

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In or about the summer of 2014, Respondent offered to sell Subject Property to Bich D. and Khoi B.

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Respondent told Bich D. and Khoi B. that she would draft all the paperwork necessary to effectuate the sale of Subject Property. Respondent also indicated that she would represent Bich D. and Khoi B. in the transaction as a licensed real estate broker.

7

On or about January 19, 2015, Bich D., by and through "Silver Creek Inc." and her real estate broker, Respondent, entered into a residential purchase agreement for Subject Property with a purchase price of $550,000.

8

On or about January 28, 2015, Respondent provided Bich D. and Khoi B. with a signed "Bill of Sale", which stated that Seller, "Silver Creek", was transferring Subject Property to the Buyer, Bich D., in exchange for $600,000.

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On or about February 12, 2015, Bich D., signed a subsequent residential purchase agreement for Subject Property with a purchase price of $500,000.

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On or about August 20, 2015, Respondent, without the knowledge, permission or authorization of Bich D. and Khoi B., forged their signatures on a document titled, "Corporation Resolution", identifying Bich D. as Director and Khoi B. as Treasurer of SCR.

11

On or about November 1, 2015, Respondent, without the knowledge, permission or authorization of Bich D. and Khoi B., forged their signatures on a document titled, "Corporation Resolution", identifying Bich D. as Director and Khoi B. as Treasurer of SCR.

12

On or about December 8, 2015, Respondent, without the knowledge, permission or authorization of Bich D. and Khoi B., forged their signatures on a document titled, "Borrowing Authorization", identifying Bich D. as Director and Khoi B. as Treasurer of SCR.

13

Respondent provided the documents identified in paragraphs 10, 11 and 12, above, to the LendingHome Funding Corporation (Lender).

14

On or about December 2015, Respondent presented Bich D. and Khoi B. with various loan refinancing documents to sign. Respondent indicated the loan refinancing documents represented transfer documents, and were necessary to effectuate the sale of Subject Property.

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In reliance upon Respondent's representations, Bich D. and Khoi B. signed the loan refinancing documents presented to them.

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On or about December 2015, Respondent provided Bich D. with a document titled, "Guaranty". The Guaranty identified the following:

1. Guarantor as Bich D.
2. Borrower as Silver Creek Realty, Inc.
3. Lender as LendingHome Funding Corporation; and
4. Lender is making a loan to Borrower in the amount of $448,000.

17

Prior to the close of escrow, Respondent provided to Lender a falsified lease agreement.

18

On or about December 18, 2015, escrow closed on the refinance of the loan for Subject Property.

19

On or about October 2017, Bich D. and Khoi B. discovered title of Subject Property was still held under SCR. They also learned Respondent had borrowed money against Subject Property in the amount of $105,000.

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Respondent has refused to sign title over to Bich D. and Khoi B.

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On or about August 15, 2018, Bich D. and Khoi B., through their attorney, filed a complaint in the Superior Court of California, County of Santa Clara, Case No. 17CV320880, against Respondent. The complaint alleges fraud, conspiracy to commit fraud, breach of fiduciary duty, breach of contract, unfair, unlawful and fraudulent business practices, and reformation of contract.

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The representation made by Respondent, as identified in paragraph 13, above, was untrue and Respondent either knew it to be untrue at the time or should have known it to be untrue. Respondent made the representation in order to induce Lender to approve the loan refinance. The truth was, Bich D. and Khoi B. were never directors or officers of SCR.

23

The representation made by Respondent, as identified in paragraph 14, above, was untrue and Respondent either knew it to be untrue at the time or should have known it to be untrue. Respondent made the representation in order to induce Bich D. and Khoi B. to sign the loan refinance. The truth was, the documents provided by Respondent would not transfer title of Subject Property, but would instead refinance the loan of SCR.

24

The representation made by Respondent, as identified in paragraph 17, above, was untrue and Respondent either knew it to be untrue at the time or should have known it to be untrue. Respondent made the representation in order to prove the property was an investment property and to induce Lender to approve the loan refinance. The truth was, the document provided by Respondent was a false document and the property was being used as a primary residence.

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The acts and or omissions of Respondent, identified above, constitute grounds for the suspension or revocation of the license and license rights of Respondent pursuant to Sections 10176 (a) Substantial Misrepresentations), 10176 (b) (False Promises), 10176 (i) (Continued Misrepresentation), 10176 (i) (Fraud or Dishonest Dealing), 10177 (d) (Willful Disregard of Real Estate Laws), 10177 (g) (Negligence/Incompetence of Licensee), and 10177 (j) (Fraud or Dishonest Dealing).

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COST RECOVERY

Section 10106 of the Code provides, in pertinent part, that in any order issued in resolution of a disciplinary proceeding before the Department, the commissioner may request the AdministrativeLaw Judgeto direct a licensee found to have committed a violation of this part to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against all licenses and license rights of Respondent under the Code, for the reasonable cost of investigation and agency attorney's fees in this matter, and for such other and further relief as may be proper under other provisions of law.

ROBIN S. TANNER
Supervising Special Investigator

Dated at Oakland, California,
this 21st day of November 2018.

DISCOVERY DEMAND

Pursuant to Sections 11507.6, *et seq.* of the *Administrative Procedure Act*, the Department of Real Estate hereby makes demand for discovery pursuant to the guidelines set forth in the *Administrative Procedure Act*. Failure to provide Discovery to the Department of Real Estate may result in the exclusion of witnesses and documents at the hearing or other sanctions that the Office of Administrative Hearings deems appropriate.