

1 RICHARD K. UNO, Counsel III (SBN 98275)  
2 Department of Real Estate  
3 P. O. Box 137007  
4 Sacramento, CA 95813-7007

5 Telephone: (916) 576-8700  
6 (916) 576-7848 (Direct)  
7 Email: Richard.Uno@dre.ca.gov

**FILED**  
FEB 01 2024  
DEPARTMENT OF REAL ESTATE  
By J. Taggart

8  
9 BEFORE THE DEPARTMENT OF REAL ESTATE  
10 STATE OF CALIFORNIA

11 \* \* \*

12 In the Matter of the Accusation of )  
13 ) NO. H- 12719 SF  
14 DirectQM, INC. and )  
15 MICHAEL VAN THAN, ) ACCUSATION  
16 Respondents. )  
17 )

18 The Complainant, STEPHANIE YEE, a Supervising Special Investigator of the  
19 State of California, for Accusation against Respondents DIRECTQM, INC. (DQM) and  
20 MICHAEL VAN THAN (THAN), hereinafter collectively RESPONDENTS is informed and  
21 alleges as follows:

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23 The Complainant makes this Accusation against RESPONDENTS in her official  
24 capacity.

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26 At all times herein mentioned, DQM was and is presently licensed and/or has  
27 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 corporate

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1 real estate broker. At all times herein mentioned DQM held a Mortgage Loan Originator  
2 Endorsement (MLO Endorsement).

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4 THAN is presently licensed and/or has license rights under the Real Estate Law,  
5 Part 1 of Division 4 of the Code as a real estate broker and as the designated officer of DQM.

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7 As the designated officer, THAN was responsible, pursuant to Section 10159.2  
8 of the Code, for the supervision of the activities of the officers, agents, real estate licensees and  
9 employees of DQM for which a real estate license is required.

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

16 6

17 At all times mentioned herein, RESPONDENTS engaged in the business of, acted  
18 in the capacity of, or assumed to act as a real estate broker within the State of California within  
19 the meaning of Section 10131(d) of the Code, including solicitation of borrowers for or  
20 negotiation of loans or performance of services for borrowers or lenders or note owners in  
21 connection with loans secured directly or collaterally by liens on real property, including but not  
22 limited to direct solicitation as described above of individual mortgage borrowers whose names  
23 are set forth below.

24 FIRST CAUSE OF ACTION

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26 Complainant refers to Paragraphs 1 through 6, above, and incorporates the same  
27 herein by reference.

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On or about March 16, 2021, Bryan B. and Ye M. (Borrowers), agreed to have RESPONDENTS act as their mortgage lender for that certain real property commonly known as 1753 Loyola Drive, San Jose, California 95122 (Loyola Property).

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On or about March 16, 2021, RESPONDENTS prepared and advised Borrowers to sign a “No Point And/No Cost Early Payoff Policy” (Agreement). The Agreement provided that Borrowers will pay a fee to RESPONDENTS, if the borrowers pay off the loan within 180 days from the funding date.

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On or March 29, 2021, Rocket Mortgage, LLC formally known as Quickenloans, LLC, issued the Loan Estimate which indicated that there was no prepayment penalty.

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On or about April 2, 2021, Borrowers signed the Closing Disclosure with United Wholesale Mortgage (UWM) which stated that there was no Prepayment Penalty.

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Borrowers refinance the loan on the Loyola Property within 6 months of funding by Rocket Mortgage, LLC. RESPONDENTS demanded that Borrowers pay them \$5,000.00 pursuant to the Agreement.

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RESPONDENTS sued Borrowers in small claims court and won a judgement for \$5,000.

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At no time did RESPONDENTS explain to Borrowers that the lender did not require a prepayment penalty.

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The acts of RESPONDENTS, described above, constitute violations of Sections 10176(a) (substantial misrepresentation) and 10176(j) (other conduct constituting fraud/dishonest dealing) and are grounds for discipline under Sections 10176(a), 10176(j), 10177(d) (violate real estate law) and 10177(g) (negligence/incompetence of licensee) of the Code.

SECOND CAUSE OF ACTION

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Complainant refers to Paragraphs 1 through 15, above, and incorporates the same herein by reference.

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On or about May 17, 2022, DQM's corporate real estate broker license expired and was not renewed until April 6, 2023.

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DQM continued to conduct loan activities, including, but not limited to a loan on behalf of borrower Huy D., which closed on or about August 2, 2022.

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The acts of RESPONDENTS, described in Paragraphs 16 through 18, above, constitute violations of Section 10130 (license required) of the Code and are grounds for discipline under Section 10130 of the Code.

THIRD CAUSE OF ACTION

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Complainant refers to Paragraphs 1 through 19, above, and incorporates the same, herein by reference.

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DQM moved its main office in or around 2021, but THAN did not report the change of office until on or about April 2023.

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RESPONDENTS failure to report the change of office within thirty (30) days violated Section 10162(c) of the Code and are grounds for discipline under Sections 10177(d) and 10177(g) of the Code.

FOURTH CAUSE OF ACTION

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Complainant refers to paragraphs 1 through 22, above, and incorporates the same herein.

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RESPONDENTS failed to provide required information and/or made incorrect statements on its advertising, including business cards, websites as follows:

- a) THAN failed to post his DRE license and MLO number on his business cards as required by Section 10140.6 of the Code;
- b) RESPONDENTS represented that Quang Tran was a mortgage advisor, when he did not hold an MLO Endorsement;
- c) RESPONDENTS represented that Krishna Patel was a mortgage advisor, and continued to do so when she no longer worked for RESPONDENTS. Patel never held an MLO Endorsement;
- d) RESPONDENTS listed Anthony Tran as a "Team Member", while he never worked for RESPONDENTS and never held an MLO Endorsement.

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RESPONDENTS acts and/or omissions set forth in Paragraph 24, above, violate Sections 10140.6 and 10140 (misrepresentations in advertising) of the Code and are grounds for discipline under Section 10177(d) and 10177(g) of the Code.

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1 FIFTH CAUSE OF ACTION

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3 Complainant refers to Paragraphs 1 through 25, above, and incorporates the same,  
4 by reference.

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6 Real Estate Salesperson, Jessie Tran worked for RESPONDENTS from August  
7 30, 2021 until December 21, 2021, and never signed a broker-salesperson agreement as required  
8 by Section 2726 of the Regulations.

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10 The acts described in Paragraph 27, above, violate Section 2726 of the  
11 Regulations, and are grounds for discipline under Sections 10177(d) and 10177(g) of the Code.

12 SIXTH CAUSE OF ACTION

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14 Complainant refers to Paragraphs 1 through 28, above, and incorporate the same  
15 by reference.

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17 At all times herein above mentioned, THAN, was responsible as the supervising  
18 broker for DQM, for the supervision and control of the activities conducted on behalf of DQM's  
19 business by its employees. THAN failed to exercise reasonable supervision and control over the  
20 mortgage loan activities of DQM. In particular, THAN permitted, ratified and/or caused the  
21 conduct described above, to occur, and failed to take reasonable steps, including but not limited  
22 to handling of trust funds, supervision of employees, and the implementation of policies, rules,  
23 and systems to ensure the compliance of the business with the Real Estate Law and the  
24 Regulations.

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The above acts and/or omissions of THAN violate Section 10159.2 (responsibility/directing officer) of the Code and Section 2725 (broker supervision) of the Regulations and constituted grounds for disciplinary action under the provisions of Sections 10177(g) and 10177(h) (broker supervision) of the Code.

COSTS

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 administrative law judge to 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 Real Estate Law (Part 1 of Division 4 of the Business and Professions Code), and for such other and further relief as may be proper under other provisions of law.

STEPHANIE YEE

Supervising Special Investigator

Dated at Oakland, California,  
this 29th day of January, 2024.

