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FILED
NOV 29 2022
DEPT. OF REAL ESTATE
By 

9 BEFORE THE DEPARTMENT OF REAL ESTATE
10 STATE OF CALIFORNIA

11 * * *

12 In the Matter of the Accusation Against) DRE No. H-42438 LA
13)
14 MICHAEL TRUNG TU,)
15 Respondent.) ACCUSATION

16 The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the
17 State of California, for cause of Accusation against MICHAEL TRUNG TU (Respondent)
18 alleges as follows:

19 1.

20 The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the
21 State of California, makes this Accusation in her official capacity.

22 2.

23 All references to the "Code" are to the Real Estate Law, Part 1 of Division 4 of
24 the California Business and Professions Code.

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ACCUSATION

1 LICENSE HISTORY

2 3.

3 a. Respondent is presently licensed and/or has license rights under the Code, as a
4 real estate broker with Department of Real Estate (Department) license ID 00861637.

5 b. Respondent's broker license was originally issued on October 23, 1991, and is
6 scheduled to expire on March 27, 2024, unless renewed.

7 c. Respondent currently holds a Mortgage Loan Originator (MLO) license
8 endorsement with the Department with the assigned National Mortgage Licensing System and
9 Registry (NMLS) No. 332571. The current status of Respondent's MLO license endorsement is
10 "Approved-Inactive."

11 STATEMENT OF FACTS

12 4.

13 Respondent, at the time of the violations described herein, was employed by and
14 authorized to represent ADK Bancorp Inc (NMLS No. 328715), a mortgage company.

15 5.

16 Respondent violated the NMLS student Rules of Conduct (ROC) by using the
17 services of Danny Yen, dba Real Estate Educational Services (REES) to complete his NMLS-
18 approved continuing education (CE) courses, which constitutes a violation of the licensing
19 requirements of this state and under federal law. Specifically, Respondent used and
20 compensated REES to obtain credit through an in-person fraud scheme. Under the in-person
21 fraud scheme, Respondent used REES to annually report completion of an in-person course for
22 four years from 2017 to 2020. REES did not teach the in-person course and Respondent never
23 attended the in-person course nor completed the required exam or course work to receive
24 course credit.

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ACCUSATION

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During all times relevant herein, REES had its primary place of business located at 3643 Adams Street, Carlsbad, California.

REES Investigation

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The Mortgage Testing and Education Board (MTEB), which was created by SRR, has approved "Administrative Action Procedures for S.A.F.E. Testing and Education Requirements" (AAP), which extends administrative authority to the MTEB to investigate alleged violations of the NMLS student Rules of Conduct (ROC).

14.

The AAP also extends administrative authority to the MTEB and SRR to investigate alleged violations of the NMLS Standards of Conduct (SOC), which apply to all NMLS-Approved course providers.

15.

In late 2020, SRR obtained information concerning suspicious activity and that that information identified a possible MLO education cheating scheme coordinated by and implemented through REES and its owners and operators, including Danny Yen. Based on that information, and pursuant to the AAP, SRR initiated an investigation into the matter.

Findings of SRR and Department Investigation

16.

On or about December 15, 2020, SRR staff were informed of suspected individuals completing online NMLS-approved education courses on behalf of another.

17.

Additional investigation revealed evidence that REES fraudulently provided course credit to MLOs who had never attended and completed REES' 8-hour in-person CE course in Westminster, California in the in-person fraud scheme.

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18.

Respondent was identified in NMLS records as receiving course credit for REES' 8-hour in-person CE course in 2017, 2018, 2019, and 2020. It was determined that none of these in-person courses ever took place and Respondent never attended an in-person course corresponding to the course credits Respondent received. Consequently, Respondent never took a knowledge examination required for course credit. It was determined that Respondent had used REES to obtain four years of course credits from 2017 to 2020 in violation of the ROC under the in-person fraud scheme.

19.

The ROC provide in relevant part:

ROC 3: I understand that the SAFE Act and state laws require me to spend a specific amount of time in specific subject areas. Accordingly, I will not attempt to circumvent the requirements of any NMLS approved course.

ROC 5: I will not seek or attempt to seek outside assistance to complete the course.

ROC 8: I will not engage in any capacity that would be contrary to good character or reputation, or engage in any behavior that would cause the public to believe that I would not operate in the mortgage loan business lawfully, honestly or fairly.

ROC 9: I will not engage in any conduct that is dishonest, fraudulent, or would adversely impact the integrity of the course(s) I am completing and the conditions for which I am seeking licensure or renewal of licensure.

20.

By using the services of another to complete his CE and receiving fraudulent course credits through a non-existent course, Respondent violated ROC 3, 5, 8, and 9, and engaged in conduct that was dishonest, fraudulent, and that adversely impacted the integrity of the courses and the conditions and qualifications for which Respondent sought renewal of licensure.

ACCUSATION

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On or about July 13, 2021, Respondent was provided an opportunity via a survey to disclose information about her participation in the REES online PE and CE education fraud. On or about August 22, 2021, Respondent responded to the survey request. In response to the survey, Respondent stated, in part, that he attended in person each CA-DBO SAFE Comprehensive course in which he enrolled. Respondent indicated that the course was held at the Westminster address.

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Pursuant to Code section 10166.05(c), the Commissioner must deny a MLO license endorsement if the licensee fails to meet the minimum criteria for licensure, which includes a requirement that the applicant "has demonstrated such financial responsibility, character and general fitness as to command the confidence of the community and to warrant a determination that the [MLO] will operate honestly, fairly, and efficiently within the purposes of this division."

As described in paragraphs 16 through 21 above, Respondent violated ROC 4, 5, and 9 by using the services of another, REES, to falsely obtain course credits through an in-person course that Respondent never attended for the years 2017 to 2020.

In violating the ROC by using the services of another to falsely obtain course credits, Respondent does not meet the minimum criteria for licensure under Code section 10166.05(c). The conduct of Respondent, as alleged above, is grounds for the suspension or revocation of Respondent's license, MLO license endorsement, and license rights pursuant to the provisions of Code sections 10166.051(a), 10166.051(b), 10177(d), 10177(g) and/or 10177(j).

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1 WHEREFORE, Complainant prays that a hearing be conducted on the allegations of
2 this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary
3 action against the license(s), MLO license endorsement, and/or license rights of Respondent
4 MICHAEL TRUNG TU under the Real Estate Law, for the costs of investigation and
5 enforcement as permitted by law and for such other and further relief as may be proper under
6 other applicable provisions of law.

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8 Dated at San Diego, California this 29 day of November, 2022.

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11 *Veronica Kilpatrick*

12 _____
13 Veronica Kilpatrick
14 Supervising Special Investigator
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25 cc: LAC LONG DINH TRAN
26 Veronica Kilpatrick
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