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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,			
	Respondent.) <u>ACCUSATION</u>			
15)			
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.			
25	///			
26	///			
27	///			
	ACCUSATION			
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3. a. Respondent is presently licensed and/or has license rights under the Code, as a real estate broker with Department of Real Estate (Department) license ID 00861637. b. Respondent's broker license was originally issued on October 23, 1991, and is scheduled to expire on March 27, 2024, unless renewed.
 3. a. Respondent is presently licensed and/or has license rights under the Code, as a real estate broker with Department of Real Estate (Department) license ID 00861637. b. Respondent's broker license was originally issued on October 23, 1991, and is
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to compare on Watch 27, 2024, unces tenewed.
c. Respondent currently holds a Mortgage Loan Originator (MLO) license
endorsement with the Department with the assigned National Mortgage Licensing System and
Registry (NMLS) No. 332571. The current status of Respondent's MLO license endorsement is
"Approved-Inactive."
STATEMENT OF FACTS
4.
Respondent, at the time of the violations described herein, was employed by and
authorized to represent ADK Bancorp Inc (NMLS No. 328715), a mortgage company.
5.
Respondent violated the NMLS student Rules of Conduct (ROC) by using the
services of Danny Yen, dba Real Estate Educational Services (REES) to complete his NMLS-
approved continuing education (CE) courses, which constitutes a violation of the licensing
equirements of this state and under federal law. Specifically, Respondent used and
compensated REES to obtain credit through an in-person fraud scheme. Under the in-person
raud scheme, Respondent used REES to annually report completion of an in-person course for
our years from 2017 to 2020. REES did not teach the in-person course and Respondent never
ttended the in-person course nor completed the required exam or course work to receive
ourse credit.
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ACCUSATION
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1	NMLS Pre-Licensing and Continuing Education		
2	6.		
3	The State Regulatory Registry LLC (SRR), which owns and operates the		
4	NMLS, administers pre-licensing education (PE) and CE and Uniform State Test protocols.		
5	Title V of Public Law 110-289, the Secure and Fair Enforcement for Mortgage Licensing Act		
6	of 2008 (the SAFE Act), requires that state-licensed MLOs complete PE prior to initial		
7	licensure and annual CE thereafter. (See Code section 10166.06.)		
8	7.		
9	In order to meet PE requirements contemplated under the SAFE Act, state-		
10	licensed MLOs must complete twenty (20) hours of NMLS-approved education. (Code section		
11	10166.06(a).)		
12	8.		
13	In order to meet CE requirements contemplated under the SAFE Act, state-		
14	licensed MLOs must complete eight (8) hours of NMLS-approved education. (Code section		
15	10166.10(a).)		
16	REES		
17	9.		
18	REES, with NMLS course provider number 1405046, was an NMLS-approved		
19	course provider during the years 2017 to 2020.		
20	10.		
21	The NMLS had approved REES to offer one in-person 8-hour "DBO-SAFE Act		
22	Comprehensive: Mortgage Continuing Education" course in a classroom format located at		
23	15751 Brookhurst Street, Suite 230, Westminster, California (Westminster address).		
24	11.		
25	REES was never approved by the NMLS to offer online PE or CE to MLOs.		
26	///		
27	///		
	ACCUSATION - 3 -		

1	12.
2	During all times relevant herein, REES had its primary place of business located
3	at 3643 Adams Street, Carlsbad, California.
4	REES Investigation
5	13.
6	The Mortgage Testing and Education Board (MTEB), which was created by
7	SRR, has approved "Administrative Action Procedures for S.A.F.E. Testing and Education
8	Requirements" (AAP), which extends administrative authority to the MTEB to investigate
9	alleged violations of the NMLS student Rules of Conduct (ROC).
10	14.
11	The AAP also extends administrative authority to the MTEB and SRR to
12	investigate alleged violations of the NMLS Standards of Conduct (SOC), which apply to all
13	NMLS-Approved course providers.
14	15.
15	In late 2020, SRR obtained information concerning suspicious activity and that
16	that information identified a possible MLO education cheating scheme coordinated by and
17	implemented through REES and its owners and operators, including Danny Yen. Based on that
18	information, and pursuant to the AAP, SRR initiated an investigation into the matter.
19	Findings of SRR and Department Investigation
20	16.
21	On or about December 15, 2020, SRR staff were informed of suspected
22	individuals completing online NMLS-approved education courses on behalf of another.
23	17.
24	Additional investigation revealed evidence that REES fraudulently provided
25	course credit to MLOs who had never attended and completed REES' 8-hour in-person CE
26	course in Westminster, California in the in-person fraud scheme.
27	
	ACCUSATION
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	18.
2	Respondent was identified in NMLS records as receiving course credit for
3	REES' 8-hour in-person CE course in 2017, 2018, 2019, and 2020. It was determined that none
4	of these in-person courses ever took place and Respondent never attended an in-person course
5	corresponding to the course credits Respondent received. Consequently, Respondent never took
6	a knowledge examination required for course credit. It was determined that Respondent had
7	used REES to obtain four years of course credits from 2017 to 2020 in violation of the ROC
8	under the in-person fraud scheme.
9	19.
10	The ROC provide in relevant part:
11	ROC 3: I understand that the SAFE Act and state laws require me to spend a
12	specific amount of time in specific subject areas. Accordingly, I will not attempt to circumvent
13	the requirements of any NMLS approved course.
14	ROC 5: I will not seek or attempt to seek outside assistance to complete the
15	course.
16	ROC 8: I will not engage in any capacity that would be contrary to good
17	character or reputation, or engage in any behavior that would cause the public to believe that I
18	would not operate in the mortgage loan business lawfully, honestly or fairly.
19	ROC 9: I will not engage in any conduct that is dishonest, fraudulent, or would
20	adversely impact the integrity of the course(s) I am completing and the conditions for which I
21	am seeking licensure or renewal of licensure.
22	20.
23	By using the services of another to complete his CE and receiving fraudulent
24	course credits through a non-existent course, Respondent violated ROC 3, 5, 8, and 9, and
25	engaged in conduct that was dishonest, fraudulent, and that adversely impacted the integrity of
26	the courses and the conditions and qualifications for which Respondent sought renewal of
27	licensure.
	ACCUSATION - 5 -

1	Note of the second s			
	Voluntary Survey			
2	21.			
3	On or about July 13, 2021, Respondent was provided an opportunity via a			
4	survey to disclose information about her participation in the REES online PE and CE education			
5	fraud. On or about August 22, 2021, Respondent responded to the survey request. In response			
6	to the survey, Respondent stated, in part, that he attended in person each CA-DBO SAFE			
7	Comprehensive course in which he enrolled. Respondent indicated that the course was held at			
8	the Westminster address.			
9	Financial Responsibility, Character, and General Fitness			
10	22.			
11	Pursuant to Code section 10166.05(c), the Commissioner must deny a MLO			
12	license endorsement if the licensee fails to meet the minimum criteria for licensure, which			
13	includes a requirement that the applicant "has demonstrated such financial responsibility,			
14	character and general fitness as to command the confidence of the community and to warrant a			
15	determination that the [MLO] will operate honestly, fairly, and efficiently within the purposes			
16	of this division."			
17	23.			
18	As described in paragraphs 16 through 21 above, Respondent violated ROC 4, 5.			
19	and 9 by using the services of another, REES, to falsely obtain course credits through an in-			
20	person course that Respondent never attended for the years 2017 to 2020.			
21	24.			
22	In violating the ROC by using the services of another to falsely obtain course			
23	credits, Respondent does not meet the minimum criteria for licensure under Code section			
24	10166.05(c). The conduct of Respondent, as alleged above, is grounds for the suspension or			
25	revocation of Respondent's license, MLO license endorsement, and license rights pursuant to			
26	the provisions of Code sections 10166.051(a), 10166.051(b), 10177(d), 10177(g) and/or			
27	10177(j).			
	ACCUSATION			
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1	GROUNDS FOR DISCIPLINARY ACTION
2	25.
3	Section 10166.05 of the Code provides in pertinent part, "Notwithstanding any
4	other provision of law, the commissioner shall not issue a license endorsement to act as a
5	mortgage loan originator to an applicant unless the commissioner makes all of the following
6	findings:
7	
8	(c) The applicant has demonstrated such financial responsibility, character, and
9	general fitness as to command the confidence of the community and warrant a determination
10	that the mortgage loan originator will operate honestly, fairly, and efficiently within the
11	purposes of this article."
12	26.
13	Section 10166.051 of the Code provides in pertinent part, "the commissioner
14	may do one or more of the following, after appropriate notice and opportunity for hearing:
15	(a) Deny, suspend, revoke, restrict, or decline to renew a mortgage loan
16	originator license endorsement for a violation of this article, or any rules or regulations adopted
17	hereunder.
18	(b) Deny, suspend, revoke, condition, or decline to renew a mortgage loan
19	originator license endorsement, if an application or endorsement holder fails at any time to
20	meet the requirements of Section 10166.05 or 10166.09, or withholds information or makes a
21	material misstatement in an application for a license endorsement or license endorsement
22	renewal."
23	27.
24	Section 10177 of the Code provides in pertinent part, "[t]he Commissioner may
25	suspend or revoke the license of a real estate licensee, delay the renewal of a license of a real
26	estate licensee, or deny the issuance of a license to an applicant, who has done any of the
27	following
	ACCUSATION
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2	(d) Willfully disregarded or violated the Real Estate Law (Part 1 (commencing	
3	 with Section 10000)) or Chapter 1 (commencing with Section 11000) of Part 2 or the rules and regulations of the commissioner for the administration and enforcement of the Real Estate Law and Chapter 1 (commencing with Section 11000) of Part 2. (g) Demonstrated negligence or incompetence in performing an act for which the officer, director, or person is required to hold a license. (j) Engaged in any other conduct, whether of the same or of a different character 	
4	regulations of the commissioner for the administration and enforcement of the Real Estate Law	
5	and Chapter 1 (commencing with Section 11000) of Part 2.	
6		
7	(g) Demonstrated negligence or incompetence in performing an act for which	
8	the officer, director, or person is required to hold a license.	
9		
10	(j) Engaged in any other conduct, whether of the same or of a different character	
11	than specified in this section, that constitutes fraud or dishonest dealing.	
12	COSTS	
13	(INVESTIGATION AND ENFORCEMENT COSTS)	
14	28.	
15	Section 10106 of the Code, provides, in pertinent part, that in any order issued in	
16	resolution of a disciplinary proceeding before the Department, the Commissioner may request	
17	the administrative law judge to direct a licensee found to have committed a violation of this	
18	part to pay a sum not to exceed the reasonable costs of investigation and enforcement of the	
19	case.	
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1 2	WHEREFORE, Complainant prays that a hearing be conducted on the allegations o this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary			
3				
4	action against the license(s), MLO license endorsement, and/or license rights of Responden MICHAEL TRUNG TU under the Real Estate Law, for the costs of investigation and enforcement as permitted by law and for such other and further relief as may be proper under other applicable provisions of law.			
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8	Date	d at San Diego, California this	day of November	, 2022.
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.1			Veronica Kilpatrick	
.2			Veronica Kilpatrick Supervising Special Investigator	
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5	cc:	LAC LONG DINH TRAN Veronica Kilpatrick		
6		Sacto.		
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