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California Corporations Commissioner  
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Deputy Commissioner  
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7 Attorneys for Complainant  
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9 BEFORE THE DEPARTMENT OF CORPORATIONS  
10 OF THE STATE OF CALIFORNIA  
11

12 In the Matter of the Accusation of THE ) Case No.: 605-2079; 605-2921; & 605-2925  
CALIFORNIA CORPORATIONS )  
13 COMMISSIONER, ) ACCUSATION  
14 )  
Complainant, )  
15 )  
16 vs. )  
17 )  
THANH TOM NGUYEN NGOC dba )  
HILLTOP FINANCIAL MORTGAGE and )  
18 THANH TOM NGUYEN NGOC aka THNAH )  
NGOC NGUYEN, an individual, )  
19 )  
20 Respondent. )

21 The Complainant is informed and believes, and based upon such information and belief,  
22 alleges and charges Respondent as follows:  
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24 I

25 1. Respondent Thanh Tom Nguyen Ngoc dba Hilltop Financial Mortgage ("Hilltop") is  
26 a lender/broker licensed by the California Corporations Commissioner ("Commissioner") pursuant  
27 to the California Finance Lenders Law of the State of California (California Financial Code § 22000  
28 et seq.) ("CFL"). Hilltop currently holds three licenses issued under the CFL. The main licensed  
location is at 1851 McCarthy Boulevard, Suite 207-D, Milpitas, California 95035.

1           2.       Respondent Thanh Tom Nguyen Ngoc aka Thanh Ngoc Nguyen (“Ngoc”) is, and was  
2 at all times relevant herein, the owner of Hilltop.

3           3.       On or about October 22, 2007, the Commissioner commenced a regulatory  
4 examination of the books and records of Hilltop by and through his examination staff. The  
5 regulatory examination has not yet been concluded because Hilltop has failed to provide all the  
6 documentation requested as further described below.

7           4.       On or about October 22, 2007, the Commissioner, by and through his staff, arrived at  
8 the main office of Hilltop; then located at 860 Hillview Court, Suite 310, Milpitas, California 95132,  
9 to commence the regulatory examination. There was no one available at Hilltop to discuss the  
10 commencement of the regulatory examination, so Hilltop’s receptionist made an appointment for the  
11 Department of Corporations (“Department”) examiner to meet with the owner, Ngoc, and the  
12 operations manager, Maria Santos (“Santos”) on October 25, 2007. Specific instructions were given  
13 for Ngoc to contact the examiner prior to October 25, 2007 so that they could discuss the records to  
14 be made available on October 25, 2007.

15           5.       On or about October 23, 2007, the examiner telephoned Ngoc to discuss the October  
16 25, 2007 meeting. At this time, Ngoc requested that the examiner put the document request in an  
17 email to Santos, which the examiner did on or about October 23, 2007 at or about 11:34 a.m.

18           6.       On or about October 25, 2007, the examiner returned to Hilltop for the scheduled  
19 meeting and found that Ngoc and Santos were unavailable again.

20           7.       On or about October 26, 2007, the examiner received an email from Santos with  
21 notification of Hilltop’s move to 1851 McCarthy Boulevard, Suite 207-D, Milpitas, CA 95035.

22           8.       On or about November 16, 2007, a letter was sent to Hilltop at the 860 Hillview  
23 Court, Suite 310, Milpitas and 1851 McCarthy Boulevard, Suite 207-D, Milpitas locations  
24 demanding certain documents be provided to the examiner within forty-eight (48) hours.

25           9.       On or about November 19, 2007, Mr. Jose Matos (“Matos”) from Hilltop contacted  
26 the examiner in response to the demand letter. Matos informed the examiner that he would be  
27 meeting with Ngoc and Santos to provide the information. On or about November 20, 2007, Matos  
28 emailed the examiner that Hilltop intended to provide the information.

1           10.     On or about November 27, 2007, Hilltop through Matos was notified that the  
2 information had still not been received.

3           11.     On or about December 4, 2007, Hilltop through Matos was advised that failure to  
4 provide the examiner the documents requested including the loan report(s) could result in  
5 enforcement action against Hilltop’s CFLL licenses. Thereafter, on or about December 4, 2007,  
6 Hilltop through Matos faxed a thirteen-page (13) loan report to the Department. The loan report  
7 failed to identify the Hilltop locations where each loan was brokered as specifically requested.  
8 Hilltop through Matos was then directed to send a revised loan report.

9           12.     On or about December 21, 24 and 28, 2007, the examiner left telephone messages  
10 with Hilltop through Matos. On or about December 31, 2007, Hilltop finally responded through  
11 Matos by way of email agreeing to schedule an appointment so that the regulatory examination  
12 could continue. Hilltop did not however provide the revised loan report until on or about January  
13 10, 2008.

14           13.     On or about January 11, 2008, a letter was sent to Hilltop setting out the specific loan  
15 files to be available for review within forty-eight (48) hours. On or about January 14, 2008, Hilltop  
16 through Ngoc telephoned the examiner to request an extension until the following week, which was  
17 not granted, and also to notify the examiner of Hilltop’s intention to file for bankruptcy.

18           14.     On or about January 16, 2008, when Hilltop had still not provided the loan files, a  
19 further letter was sent demanding all records and files requested be made available at the 1851  
20 McCarthy Boulevard, Suite 207-D location for the examiner on January 24, 2008 at 10:30 am.

21           15.     On or about January 24, 2008, the examiner attempted to access the demanded  
22 records and files at 1851 McCarthy Boulevard, Suite 207-D, Milpitas, however, a new tenant now  
23 occupied the location. Building management informed the Department’s examiner that Hilltop had  
24 moved to Suite 202-A in the building and was now operating as Connects Real Estate and  
25 Investments (“CREI”). CREI is licensed by the Department of Real Estate.

26           16.     On or about January 24, 2008, the examiner went to the office of CREI and found  
27 Matos and Santos working there. Matos, at the request of the examiner, made several unsuccessful  
28 attempts to contact Ngoc. The examiner also made an attempt to contact Ngoc, but the number

1 provided by Ngoc to the examiner had been disconnected. When further demands were made to  
2 provide the records and files, Matos denied any knowledge of the location of Hilltop’s records and  
3 files. Matos additionally denied any connection between Hilltop and CREI. However, a review of  
4 the California Secretary of State’s website disclosed Ngoc is the registered agent for service of  
5 process for CREI.

6 17. The requested files have never been provided to the Department as required by  
7 Financial Code sections 22156 and 22701. Thus, the Commissioner has been unable to perform the  
8 regulatory examination authorized under Financial Section 22701.

9 II

10 California Financial Code section 22156 provides:

11 Licensees shall keep and use in their business, books, accounts,  
12 and records which will enable the commissioner to determine  
13 if the licensee is complying with the provisions of this division  
14 and with the rules and regulations made by the commissioner. On any  
15 loan secured by real property in which loan proceeds were disbursed  
16 to an independent escrowholder, the licensee shall retain records and  
17 documents as set forth by rules of the commissioner adopted pursuant  
18 to Section 22150. Upon request of the commissioner, licensees shall  
19 file an authorization for disclosure to the commissioner of financial  
20 records of the licensed business pursuant to Section 7473 of the  
21 Government Code.

22 California Financial Code section 22701 provides in relevant part:

23 For the purpose of discovering violations of this division or securing  
24 information required by him or her in the administration and enforcement  
25 of this division, the commissioner may at any time investigate the loans  
26 and business, and examine the books, accounts, records, and files used  
27 in the business, of every person engaged in the business of a finance lender  
28 or broker, whether the person acts or claims to act as principal or agent,  
or under or without the authority of this division. For the purpose of  
examination, the commissioner and his or her representatives shall have  
free access to the offices and places of business, books, accounts, papers,  
records, files, safes, and vaults of all these persons.

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III

California Financial Code section 22714 provides in pertinent part:

(a) The commissioner shall suspend or revoke any license, upon notice and reasonable opportunity to be heard, if the commissioner finds any of the following:

(1) The licensee has failed to comply with any demand, ruling, or requirement of the commissioner made pursuant to and within the authority of this division.

(2) The licensee has violated any provision of this division or any rule or regulation made by the commissioner under and within the authority of this division. . . .

California Financial Code section 22169 provides in pertinent part:

(a) The commissioner may, after appropriate notice and opportunity for hearing, by order, . . . bar from any position of employment, management, or control any finance lender, broker, or any other person, if the commissioner finds either of the following:

(1) That the censure, suspension, or bar is in the public interest and that the person has committed or caused a violation of this division or rule or order of the commissioner, which violation was either known or should have been known by the person committing or causing it or has caused material damage to the finance lender, or to the public.

IV

The Commissioner finds that, by reason of the foregoing, Respondents have violated California Financial Code sections 22156 and 22701 and failed to comply with demands of the Commissioner, and it is in the best interests of the public to revoke the finance lender/broker licenses of Respondent Hilltop and to bar Respondent Ngoc from any position of employment, management or control of any finance lender and/or broker.

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WHEREFORE, IT IS PRAYED that the finance lender/broker licenses of Respondent Hilltop be revoked and Respondent Ngoc be barred from any position of employment, management or control of any finance lender and/or broker.

Dated: February 27, 2008  
Los Angeles, California

PRESTON DuFAUCHARD  
California Corporations Commissioner

By \_\_\_\_\_  
Judy L. Hartley  
Senior Corporations Counsel