

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: THANH TOM NGUYEN NGOC dba
HILLTOP FINANCIAL MORTGAGE
1851 McCarthy Boulevard, Suite 207-D
Milpitas, California 95035

24307 Southland Drive
Hayward, California 92545

DESIST AND REFRAIN ORDER
(For violations of California Financial Code sections 22156 and 22701)

The California Corporations Commissioner finds that:

1. Respondent Thanh Tom Nguyen Ngoc dba Hilltop Financial Mortgage ("Hilltop") is a lender/broker licensed by the California Corporations Commissioner ("Commissioner") pursuant to the California Finance Lenders Law of the State of California (California Financial Code § 22000 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.

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

3. On or about October 22, 2007, the Commissioner, by and through his staff, arrived at the main office of Hilltop; then located at 860 Hillview Court, Suite 310, Milpitas, California 95132, to commence the regulatory examination. There was no one available at Hilltop to discuss the commencement of the regulatory examination, so Hilltop's receptionist made an appointment for the Department of Corporations ("Department") examiner to meet with the owner, Thanh Tom Nguyen Ngoc aka Thanh Ngoc Nguyen ("Ngoc"), and the operations manager, Maria Santos ("Santos") on October 25, 2007. Specific instructions were given for Ngoc to contact the examiner prior to

1 October 25, 2007 so that they could discuss the records to be made available on October 25, 2007.

2 4. On or about October 23, 2007, the examiner telephoned Ngoc to discuss the October
3 25, 2007 meeting. At this time, Ngoc requested that the examiner put the document request in an
4 email to Santos, which the examiner did on or about October 23, 2007 at or about 11:34 a.m.

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

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

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

12 8. On or about November 19, 2007, Mr. Jose Matos ("Matos") from Hilltop contacted
13 the examiner in response to the demand letter. Matos informed the examiner that he would be
14 meeting with Ngoc and Santos to provide the information. On or about November 20, 2007, Matos
15 emailed the examiner that Hilltop intended to provide the information.

16 9. On or about November 27, 2007, Hilltop through Matos was notified that the
17 information had still not been received.

18 10. On or about December 4, 2007, Hilltop through Matos was advised that failure to
19 provide the examiner the documents requested including the loan report(s) could result in
20 enforcement action against Hilltop's CFL licenses. Thereafter, on or about December 4, 2007,
21 Hilltop through Matos faxed a thirteen-page (13) loan report to the Department. The loan report
22 failed to identify the Hilltop locations where each loan was brokered as specifically requested.
23 Hilltop through Matos was then directed to send a revised loan report.

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

1 12. On or about January 11, 2008, a letter was sent to Hilltop setting out the specific loan
2 files to be available for review within forty-eight (48) hours. On or about January 14, 2008, Hilltop
3 through Ngoc telephoned the examiner to request an extension until the following week and also to
4 notify the examiner of Hilltop’s intention to file for bankruptcy.

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

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

13 15. On or about January 24, 2008, the examiner went to the office of CREI and found
14 Matos and Santos working there. Matos, at the request of the examiner, made several unsuccessful
15 attempts to contact Ngoc. The examiner also made an attempt to contact Ngoc, but the number
16 provided by Ngoc to the examiner had been disconnected. When further demands were made to
17 provide the records and files, Matos denied any knowledge of the location of Hilltop’s records and
18 files. Matos additionally denied any connection between Hilltop and CREI. However, a review of
19 the California Secretary of State’s website disclosed Ngoc is the registered agent for service of
20 process for CREI.

21 16. The requested files have never been provided to the Department as required by
22 Financial Code sections 22156 and 22701. Thus, the Commissioner has been unable to perform the
23 regulatory examination authorized under Financial Section 22701.

24 By reason of the foregoing, Hilltop has failed to produce documents and records, upon
25 demand of the Commissioner and within the time period specified, that would properly enable the
26 Commissioner to determine whether Hilltop is complying with the provisions of the CFLL and the
27 rules promulgated thereunder in violation of California Financial Code sections 22156 and 22701.
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

NOW, BASED ON THE FOREGOING, AND GOOD CAUSE APPEARING, it is hereby ORDERED under the provisions of California Financial Code section 22712, that Hilltop immediately desist and refrain from further violating Financial Code sections 22156 and 22701, to include immediately producing all books and records requested by the Commissioner by no later than one week from the date of service of this Order. This Order is necessary, in the public interest, for the protection of consumers and is consistent with the purposes, policies and provisions of the California Finance Lenders Law. This order shall remain in full force and effect until further order of the California Corporations Commissioner.

California Financial Code section 22712 provides in pertinent part:

Whenever, in the opinion of the commissioner, . . . any licensee is violating any provision of this division, the commissioner may order that . . . licensee to desist and to refrain from . . . further violating this division. If, within 30 days after the order is served, a written request for a hearing is filed and no hearing is held within 30 days thereafter, the order is rescinded.

Dated: February 27, 2008
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Alan S. Weinger
Lead Corporations Counsel