



NEWS RELEASE

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Department of Real Estate Revokes Broker's License for Fraudulent Mortgage Scam

Department of Real Estate revoking licenses at a record pace

SACRAMENTO – After an extensive investigation, the California Department of Real Estate (DRE) revoked the broker license of Bic D. Pho and his affiliated corporations, Mariposa Mortgage Inc. (Mariposa), and Vision Quest 21, Inc. (Vision Quest), for multiple acts of fraud involving real estate straw buyers and falsified loan applications.

In addition to revoking the real estate broker license of Pho, the DRE issued a Bar Order against Pho that precludes Pho from working in related fields for three years. The Bar Order, issued on August 29th, bars Pho from participating in any real estate related business activity of a finance lender, mortgage banker, bank, credit union, escrow company or title company.

“Bic Pho’s fraudulent activities were egregious and illegal, and he should never be allowed to work in real estate again,” stated Barbara Bigby, Acting Real Estate Commissioner. “The fraud perpetrated by Pho and others contributed to the mortgage melt-down, but the revocation of his license and the issuance of the Bar Order ensures he will not broker another mortgage loan,” Bigby added.

Pho and his corporations, based in San Jose, California, used multiple straw buyers and bogus loan applications to purchase properties throughout Northern California. Pho, acting through his real estate company, Vision Quest, would present a purchase offer to a seller of a single family home, indicating that the straw buyer would occupy the property. Once the offer was accepted, Pho, acting through Mariposa, would submit a loan application to a lender that falsified the straw buyer’s income in order to get the loan approved. In no instance did the straw buyer ever occupy the property nor did the straw buyer make any loan payments. In some instances, Pho used his employees and relatives to perpetrate the fraud on the lenders.

The revocation of Pho’s license is just one disciplinary action of hundreds taken this year by the Department. The Department revoked a record number of real estate licenses for cause in fiscal year ending in June 2011. The Department also accepted another record number of license surrenders from licensees facing disciplinary action. In 2011, 801 licensees had their licenses revoked or surrendered their licenses while facing accusations, a 13 percent increase from the 709 revocations and surrenders in 2010.

Consumers should always guard against fraudulent real estate practices by visiting the Department’s website to verify license status before engaging someone’s services. A license status check notifies consumers whether a person is licensed, how long he or she has been licensed, and whether the licensee has been previously disciplined or is facing disciplinary action.

The Department also provides consumers with educational materials and Consumer Alerts such as a brochure on “Using the Services of a Mortgage Broker” and tips on how to avoid loan modification scams. For more information about the Department of Real Estate visit www.dre.ca.gov.

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