

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

**BEFORE THE
PROFESSIONAL FIDUCIARIES BUREAU
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA**

In the Matter of the Accusation Against:

Case No. PF-2010-46

**TERESA LAGGNER
P.O. Box 1710
La Mesa, CA 91944-1710**

DEFAULT DECISION AND ORDER

[Gov. Code, §11520]

Professional Fiduciary License No. PF 182

Respondent.

FINDINGS OF FACT

1. On or about April 18, 2011, Complainant Gil DeLuna, in his official capacity as the Acting Bureau Chief of the Professional Fiduciaries Bureau, Department of Consumer Affairs, filed Accusation No. PF-2010-46 against Teresa Laggner (Respondent) before the Professional Fiduciaries Bureau. (Accusation attached as Exhibit A.)

2. On or about August 27, 2008, the Professional Fiduciaries Bureau (Bureau) issued Professional Fiduciary License No. PF 182 to Respondent. The Professional Fiduciary License was in full force and effect at all times relevant to the charges brought herein and will expire on November 30, 2011, unless renewed.

3. On or about April 22, 2011, Respondent was served by Certified and First Class Mail copies of the Accusation No. PF-2010-46, Statement to Respondent, Notice of Defense, Request for Discovery, and Discovery Statutes (Government Code sections 11507.5, 11507.6, and 11507.7) at Respondent's address of record which, pursuant to Business and Professions Code

1 section 136, is required to be reported and maintained with the Bureau, which was and is: P.O.
2 Box 1710, La Mesa, CA 91944-1710.

3 4. Service of the Accusation was effective as a matter of law under the provisions of
4 Government Code section 11505, subdivision (c) and/or Business & Professions Code section
5 124.

6 5. The documents were not returned by the U.S. Postal Service.

7 6. Government Code section 11506 states, in pertinent part:

8 (c) The respondent shall be entitled to a hearing on the merits if the respondent
9 files a notice of defense, and the notice shall be deemed a specific denial of all parts
10 of the accusation not expressly admitted. Failure to file a notice of defense shall
11 constitute a waiver of respondent's right to a hearing, but the agency in its discretion
12 may nevertheless grant a hearing.

13 7. Respondent failed to file a Notice of Defense within 15 days after service upon her of
14 the Accusation, and therefore waived her right to a hearing on the merits of Accusation No. PF-
15 2010-46.

16 8. California Government Code section 11520 states, in pertinent part:

17 (a) If the respondent either fails to file a notice of defense or to appear at the
18 hearing, the agency may take action based upon the respondent's express admissions
19 or upon other evidence and affidavits may be used as evidence without any notice to
20 respondent.

21 9. Pursuant to its authority under Government Code section 11520, the Director of the
22 Department of Consumer Affairs finds Respondent is in default. The Director will take action
23 without further hearing and, based on the relevant evidence contained in the Default Decision
24 Evidence Packet in this matter, as well as taking official notice of all the investigatory reports,
25 exhibits and statements contained therein on file at the Bureau's offices regarding the allegations
26 contained in Accusation No. PF-2010-46, finds that the charges and allegations in Accusation No.
27 PF-2010-46, are separately and severally, found to be true and correct by clear and convincing
28 evidence.

10. Taking official notice of its own internal records, pursuant to Business and
Professions Code section 5107, it is hereby determined that the reasonable costs for Investigation
and Enforcement is \$3,205.00 as of May 12, 2011.

1 DETERMINATION OF ISSUES

2 1. Based on the foregoing findings of fact, Respondent Teresa Laggner has subjected
3 her Professional Fiduciary License No. PF 182 to discipline.

4 2. The agency has jurisdiction to adjudicate this case by default.

5 3. The Director of the Department of Consumer Affairs is authorized to revoke
6 Respondent's Professional Fiduciary License based upon the following violations alleged in the
7 Accusation which are supported by the evidence contained in the Default Decision Evidence
8 Packet in this case:

9 a. Respondent is subject to disciplinary action under Code section 6584, subdivision (d),
10 for unprofessional conduct in that she was dishonest when she stole money from client trust
11 accounts for her own personal use to gamble at Barona Casino.

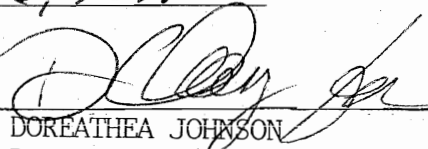
12 ORDER

13 IT IS SO ORDERED that Professional Fiduciary License No. PF 182, heretofore issued to
14 Respondent Teresa Laggner, is revoked.

15 Pursuant to Government Code section 11520, subdivision (c), Respondent may serve a
16 written motion requesting that the Decision be vacated and stating the grounds relied on within
17 seven (7) days after service of the Decision on Respondent. The agency in its discretion may
18 vacate the Decision and grant a hearing on a showing of good cause, as defined in the statute.

19 This Decision shall become effective on JULY 6, 2011.

20 It is so ORDERED JUNE 6, 2011

21 
22 _____
23 DOREATHEA JOHNSON
24 Deputy Director, Legal Affairs
25 Department of Consumer Affairs

26 80502307.DOC
27 DOJ Matter ID:SD2011700604

28 Attachment:
Exhibit A: Accusation

Exhibit A

Accusation

1 KAMALA D. HARRIS
Attorney General of California
2 LINDA K. SCHNEIDER
Supervising Deputy Attorney General
3 RITA M. LANE
Deputy Attorney General
4 State Bar No. 171352
110 West "A" Street, Suite 1100
5 San Diego, CA 92101
P.O. Box 85266
6 San Diego, CA 92186-5266
Telephone: (619) 645-2614
7 Facsimile: (619) 645-2061
Attorneys for Complainant

8
9 **BEFORE THE**
PROFESSIONAL FIDUCIARIES BUREAU
10 **DEPARTMENT OF CONSUMER AFFAIRS**
11 **STATE OF CALIFORNIA**

12 In the Matter of the Accusation Against:

Case No. PF-2010-46

13 **TERESA LAGGNER**
14 **P.O. Box 1710**
La Mesa, CA 91944-1710

A C C U S A T I O N

15 **Professional Fiduciary License No. PF 182**

16 Respondent.

17
18
19 Complainant alleges:

20 **PARTIES**

21 1. Gil DeLuna (Complainant) brings this Accusation solely in his official capacity as the
22 Acting Chief of the Professional Fiduciaries Bureau, Department of Consumer Affairs.

23 2. On or about February 2, 2009, the Professional Fiduciaries Bureau, Department of
24 Consumer Affairs, issued Professional Fiduciary License Number PF 182 to Teresa Laggner
25 (Respondent). The Professional Fiduciary License was in full force and effect at all times
26 relevant to the charges brought herein and will expire on November 30, 2011, unless renewed.

27 ///

28 ///

1
2
3 **JURISDICTION**

4 3. This Accusation is brought before the Professional Fiduciaries Bureau, Department of
5 Consumer Affairs, under the authority of the following laws. All section references are to the
6 Business and Professions Code (Code) unless otherwise indicated.

7 4. Section 6580 of the Code states, in pertinent part:

8 (a) The bureau may upon its own, and shall, upon the receipt of a complaint
9 from any person, investigate the actions of any professional fiduciary. The bureau
10 shall review a professional fiduciary's alleged violation of statute, regulation, or
11 the Professional Fiduciaries Code of Ethics and any other complaint referred to it
12 by the public, a public agency, or the department, and may impose sanctions upon
13 a finding of a violation or a breach of fiduciary duty.

14 (b) Sanctions shall include any of the following:

15 (1) Administrative citations and fines as provided in Section 125.9 for a
16 violation of this chapter, the Professional Fiduciaries Code of Ethics, or any
17 regulation adopted under this chapter.

18 (2) License suspension, probation, or revocation

19

20 5. Section 6582 of the Code states:

21 All proceedings against a licensee for any violation of this chapter or any
22 regulations adopted by the bureau shall be conducted in accordance with the
23 Administrative Procedure Act (Chapter 5 (commencing with Section 11500) of
24 Part 1 of Division 3 of Title 2 of the Government Code), and shall be prosecuted
25 by the Attorney General's office, and the bureau shall have all the powers granted
26 therein.

27 6. Section 118, subdivision (b), of the Code provides that the suspension, expiration,
28 surrender or cancellation of a license shall not deprive the Director of jurisdiction to proceed with
a disciplinary action during the period within which the license may be renewed, restored,
reissued or reinstated.

STATUTORY REGULATIONS

7. Section 6584 of the Code states, in pertinent part:

A license issued under this chapter may be suspended, revoked, denied, or
other disciplinary action may be imposed for one or more of the following causes:

.....

1 (d) Fraud, dishonesty, corruption, willful violation of duty, gross negligence
2 or incompetence in practice, or unprofessional conduct in, or related to, the
3 practice of a professional fiduciary. For purposes of this section, unprofessional
4 conduct includes, but is not limited to, acts contrary to professional standards
5 concerning any provision of law substantially related to the duties of a professional
6 fiduciary.

7

8 COSTS

9 8. Section 125.3 of the Code provides, in pertinent part, that the Bureau may request the
10 administrative law judge to direct a licentiate found to have committed a violation or violations of
11 the licensing act to pay a sum not to exceed the reasonable costs of the investigation and
12 enforcement of the case.

13 CAUSE FOR DISCIPLINE

14 (Unprofessional Conduct - Dishonesty)

15 9. Respondent is subject to disciplinary action under Code section 6584, subdivision (d),
16 for unprofessional conduct in that she was dishonest when she stole money from client trust
17 accounts for her own personal use to gamble at Barona Casino. The circumstances are as follows:

18 10. In the course of Respondent's responsibilities as a professional fiduciary, she
19 managed and was in control of several estates and served as a trustee. As a trustee, Respondent
20 was authorized to open bank accounts to maintain trust assets. From 2006 through 2010,
21 Respondent opened accounts for the majority of the trust accounts under her control at Union
22 Bank in La Mesa, California.

23 11. With complete and sole control over the trust accounts, Respondent made
24 unauthorized wire transfers from the trust accounts at Union Bank, via on-line banking, of trust
25 assets to her personal bank accounts. Shortly after the transfers were complete, Respondent
26 withdrew the cash or made checks payable to Barona Casino. Barona Casino then used the
27 money to credit Respondent's Player's Account at Barona Casino. Respondent used the credits
28 from her Player's Account to gamble for her personal benefit at Barona Casino.

12. From 2006 through 2009, Respondent claimed on her joint income tax returns with
her husband that she lost at least \$920,000 as a result of her gambling, an amount which was
larger than her family's reported income during the same time period. Bank records reflect that,

1 during the same time period, Respondent made large cash deposits and withdrawals from her
2 personal and business accounts involving funds greater than her reported income. Respondent
3 also made large cash withdrawals at local casinos and she comingled personal and trust funds
4 during this period.

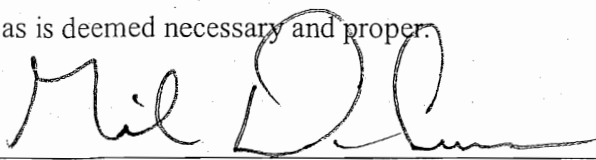
5 13. Based upon the facts alleged above, on or about February 18, 2011, in a pending
6 criminal proceeding entitled *United States of America v. Teresa Laggner*, in the United States
7 District Court, Southern District of California, Case No. 11CV0121-LAB-RBB, Respondent pled
8 guilty to one count of wire fraud (18 U.S.C. section 1343) and one count of money laundering (18
9 U.S.C. section 1956). During the plea hearing, Respondent's criminal attorney made oral
10 admissions on Respondent's behalf that Respondent, on more than one occasion, did transfer
11 money from her client trust accounts into her business account and then transferred that money to
12 her personal accounts for her own use in gambling at a local casino. Respondent's criminal
13 sentencing hearing is scheduled for May 16, 2011.

14 PRAYER

15 WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged,
16 and that following the hearing, the Professional Fiduciaries Bureau, Department of Consumer
17 Affairs, issue a decision:

- 18 1. Revoking or suspending Professional Fiduciary License Number PF 182 issued to
19 Teresa Laggner;
- 20 2. Ordering Teresa Laggner to pay the Professional Fiduciaries Bureau the reasonable
21 costs of the investigation and enforcement of this case, pursuant to Business and Professions
22 Code section 125.3; and
- 23 3. Taking such other and further action as is deemed necessary and proper.

24
25 DATED: 4-18-11


26 GIL DELUNA
27 Acting Bureau Chief
28 Professional Fiduciaries Bureau
Department of Consumer Affairs
State of California
Complainant