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BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION  
OF THE STATE OF CALIFORNIA

In the Matter of:	)	NMLS LICENSE NO.: 1326351
	)	
THE COMMISSIONER OF FINANCIAL	)	ACCUSATION
PROTECTION AND INNOVATION,	)	
	)	
Complainant,	)	
	)	
v.	)	
	)	
RAMI H. ABI,	)	
	)	
Respondent.	)	
	)	
	)	

Clothilde V. Hewlett, the Commissioner of Financial Protection and Innovation  
(Commissioner), is informed and believes, and based on such information and belief, alleges and  
charges Respondent Rami H. Abi (Abi) as follows.

**I.**

**Jurisdiction**

1. The Commissioner has jurisdiction over the licensing and regulation of persons

engaged in the business of making, servicing, or brokering residential mortgage loans, including mortgage loan originators (hereinafter, MLO or MLOs), under the California Financing Law (CFL) (Fin. Code, § 22000 et seq.) and the California Residential Mortgage Lending Act (CRMLA) (Fin. Code, § 50000 et seq.). The Commissioner is authorized to administer the CFL, CRMLA, and the rules and regulations promulgated in title 10 of the California Code of Regulations (CCR).

2. Abi first received his MLO license from the Commissioner on August 24, 2015.

3. Since February 21, 2017, Abi has been employed and sponsored by Banc One Mortgage Corporation a CFL-licensed lender.

4. Under the provisions of Financial Code sections 22109.1, 22172, and 22755 of the CFL, the Commissioner brings this action to revoke Abi's MLO license because Abi violated the Nationwide Mortgage Licensing System and Registry (NMLS) student Rules of Conduct (ROC) by using the services of Danny Yen, d/b/a Real Estate Educational Services (REES) to complete his NMLS-approved online pre-licensure (PE) and/or continuing education (CE) courses, which in turn constitutes a violation of the licensing requirements of the Department of Financial Protection and Innovation under the CFL and under federal law. Specifically, Abi used and compensated REES to complete two courses during 2019 on his behalf. All of the courses for which Abi received course credit were completed by REES through an IP address associated with REES.

## II.

### Statement of Facts

#### *NMLS Pre-Licensing and Continuing Education*

5. The State Regulatory Registry LLC (SRR), which owns and operates the NMLS, administers PE and CE and Uniform State Test protocols. Title V of Public Law 110-289, the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (the SAFE Act), requires that state-licensed MLOs complete PE prior to initial licensure and annual CE thereafter. (See Fin. Code, §§ 22109.2 and 22109.5.)

6. In order to meet PE requirements contemplated under the SAFE Act, state-licensed MLOs must complete 20 hours of NMLS-approved education. (Fin. Code, § 22109.2.)

7. In order to meet CE requirements contemplated under the SAFE Act, state-licensed

MLOs must complete eight hours of NMLS–approved education. (Fin. Code, § 22109.5.)

*REES*

8. REES, NMLS course provider number 1405046, was an NMLS–approved course provider during the years 2017 to 2020.

9. The NMLS had approved REES to offer one in-person 8-hour “DBO-SAFE Act Comprehensive: Mortgage Continuing Education” course.

10. REES was never approved by the NMLS to offer online PE or CE to MLOs.

11. During all times relevant herein, REES had its primary place of business located at 3643 Adams Street, Carlsbad, California.

12. During all times relevant herein, REES, by and through Danny Yen, maintained with his Internet Service Provider an IP address at 76.88.84.139 (the IP Address). The IP Address assigned to Danny Yen is associated with REES’ business address, 3643 Adams Street, Carlsbad, California.

*REES Investigation*

13. The Mortgage Testing and Education Board (MTEB), which was created by SRR, has approved “Administrative Action Procedures for S.A.F.E. Testing and Education Requirements” (AAP), which extends administrative authority to the MTEB to investigate alleged violations of the NMLS student Rules of Conduct (ROC).

14. The AAP also extends administrative authority to the MTEB and SRR to investigate alleged violations of the NMLS Standards of Conduct (SOC), which apply to all NMLS–Approved course providers.

15. In late 2020, SRR obtained information concerning suspicious activity and that that information identified a possible MLO education cheating scheme coordinated by and implemented through REES and its owners and operators, including Danny Yen. Based on that information, and pursuant to the AAP, SRR initiated an investigation into the matter.

*Findings of SRR and Department of Financial Protection & Innovation Investigation*

16. On or about December 15, 2020, SRR staff received a “suspicious relations” report involving suspected individuals completing online NMLS–approved education courses on behalf of another.

1           17.     Subsequent SRR research found at least 113 education students associated with taking  
2 online PE and/or CE courses from the IP Address in Carlsbad, California (the SRR report).

3           18.     Abi was identified in the SRR report as one of the 113 students that had completed PE  
4 and/or CE from the IP Address in Carlsbad, California and who received NMLS course credit.

5           19.     The Commissioner has determined that the IP Address in question belonged to Danny  
6 Yen, REES' owner and operator.

7           20.     Abi neither resides nor works at 3643 Adams Street, Carlsbad, California, the physical  
8 address associated with the IP Address identified by the Commissioner as belonging to REES.

9           21.     Based upon the results of the SRR report and the IP Address information, it was  
10 determined that Abi had used the services of REES and compensated REES to complete two classes  
11 during 2019 in violation of the ROC.

12          22.     The ROC provides in relevant part:

13  
14                 ROC 4: I will not divulge my login ID or password or other login  
credential(s) to another individual for any online course.

15                 ROC 5: I will not seek or attempt to seek outside assistance to complete  
16 the course.

17                 ROC 9: I will not engage in any conduct that is dishonest, fraudulent,  
18 or would adversely impact the integrity of the course(s) I am  
19 completing and the conditions for which I am seeking licensure or  
renewal of licensure.

20          23.     By using the services of another to complete his PE and/or CE, Abi violated ROC 4, 5,  
21 and 9, and engaged in conduct that was dishonest, fraudulent, and that adversely impacted the  
22 integrity of the courses Abi completed and the conditions and qualifications for which Abi sought  
23 licensure or renewal of licensure.

24                                 **III.**

25                                 **Violations of the CFL**

26          24.     The Commissioner may revoke an MLO license if a licensee violates any provision of  
27 the CFL, or any rules or regulations adopted thereunder. (Fin. Code, § 22172, subd. (a)(1).)  
28

25. As described in paragraphs 13. through 23., above, Abi used another to complete his PE and/or CE in violation of the ROC. In using another to complete his required education, Abi violated Financial Code section 22755, subdivisions (b), (g), (h), and (j), which provide in pertinent part:

It is a violation of this division for a mortgage loan originator to do any of the following:

(b) Engage in any unfair or deceptive practice toward any person.

(g) Fail to make disclosures as required by this division and any other applicable state or federal law, including regulations thereunder.

(h) Fail to comply with this division or rules or regulations promulgated under this division or fail to comply with any other state or federal law, including the rules and regulations thereunder, applicable to any business authorized or conducted under this division.

(j) Negligently make any false statement or knowingly and willfully make any omission of material fact in connection with any information or reports filed with a governmental agency or the [NMLS] or in connection with any investigation conducted by the commissioner or another governmental agency.

26. Thus, Abi violated provisions of the CFL, and under Financial Code section 22172, subdivision (a)(1), Abi's MLO license must be revoked.

#### IV.

#### **Financial Responsibility, Character, and General Fitness**

27. The Commissioner must deny a MLO license if the licensee fails to meet the minimum criteria for licensure, which includes a requirement that the applicant "has demonstrated such financial responsibility, character and general fitness as to command the confidence of the community and to warrant a determination that the [MLO] will operate honestly, fairly, and

efficiently within the purposes of this division.” (Fin. Code, § 22109.1, subd. (a)(3).)

28. As described in paragraphs 13. through 23., above, Abi violated ROC 4, 5, and 9 by using the services of another, REES, to complete his PE and/or CE during 2019.

29. In violating the ROC by using the services of another to complete his PE and/or CE, Abi does not meet the minimum criteria for licensure under the CFL and corresponding federal law, and his license must be revoked.

## V.

### Applicable Statutes

30. Financial Code section 22109.1 provides in pertinent part:

(a) The commissioner shall deny an application for a mortgage loan originator license unless the commissioner makes, at a minimum, the following findings:

(3) The applicant has demonstrated such financial responsibility, character, and general fitness as to command the confidence of the community and to warrant a determination that the [MLO] will operate honestly, fairly, and efficiently within the purposes of this division.

31. Financial Code section 22172 provides in pertinent part:

(a) The commissioner may do one or more of the following:

(1) Deny, suspend, revoke, condition, or decline to renew a mortgage loan originator license for a violation of this division, or any rules or regulations adopted thereunder.

(2) Deny, suspend, revoke, condition, or decline to renew a [MLO] license if an applicant or licensee fails at any time to meet the requirements of [state statute], or withholds information or makes a material misstatement in an application for a license or license renewal.

## V.

### Prayer

For the reasons set forth above and under Financial Code section 22172, subdivisions (a)(1) and (a)(2), the Commissioner finds that Abi participated in an education fraud scheme by using

1 REES to complete his online PE and/or CE coursework in violation of the ROC and Financial Code  
2 section 22755, subdivisions (b), (g), (h), and (j). Furthermore, Abi has not demonstrated the financial  
3 responsibility, character, and general fitness required under Financial Code section 22109.1,  
4 subdivision (a)(3) of the CFL to continue to hold an MLO license.

5 Accordingly, the Commissioner has grounds to revoke Abi's MLO license under Financial  
6 Code section 22712, subdivision (a)(2).

7 WHEREFORE IT IS PRAYED that the MLO license issued to Rami H. Abi be revoked.

8 Dated: December 20, 2021

9 Los Angeles, California

CLOTHILDE V. HEWLETT

Commissioner of Financial Protection &  
Innovation

11 By: \_\_\_\_\_

12 Blaine A. Noblett

13 Senior Counsel

14 Enforcement Division