

1 CLOTHILDE V. HEWLETT
Commissioner
2 MARY ANN SMITH
Deputy Commissioner
3 SEAN ROONEY
Assistant Chief Counsel
4 ALLARD C CHU (State Bar No. 328121)
5 Senior Counsel
6 Department of Financial Protection & Innovation
320 W. 4th Street, Suite 750
7 Los Angeles, California 90013-2344
8 Telephone: (213) 576-7519
Email: allard.chu@dfpi.ca.gov

9 Attorneys for Complainant

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

13 In the Matter of:) NMLS LICENSE NO.: 1134047
14 THE COMMISSIONER OF FINANCIAL) ACCUSATION
15 PROTECTION AND INNOVATION,)
16 Complainant,)
17 v.)
18 JENNIFER DAVIS,)
19 Respondent.)
20)
21)

22 Clothilde V. Hewlett, the Commissioner of Financial Protection and Innovation
23 (Commissioner), is informed and believes, and based on such information and belief, alleges and
24 charges Respondent Jennifer Davis (Davis) as follows.

25 **I.**

26 **Jurisdiction**

27 1. The Commissioner has jurisdiction over the licensing and regulation of persons
28 engaged in the business of making, servicing, or brokering residential mortgage loans, including

1 MLOs must complete 20 hours of NMLS–approved education. (Fin. Code, § 50142.)

2 8. In order to meet CE requirements contemplated under the SAFE Act, state-licensed
3 MLOs must complete eight hours of NMLS–approved education on an annual basis. (Fin. Code, §
4 50145.)

5 *REES*

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

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

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

11 12. During all times relevant herein, REES had its primary place of business located at
12 3643 Adams Street, Carlsbad, California.

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

16 *REES Investigation*

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

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

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

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

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

5 18. Subsequent SRR research found at least 113 education students associated with taking
6 online PE and/or CE courses from the IP Address in Carlsbad, California that was associated with
7 REES (the SRR report).

8 19. Additional investigation also disclosed that REES fraudulently provided course credit
9 to MLOs who had never attended and completed REES’ 8-hour in-person CE course in Westminster,
10 California under the in-person fraud scheme.

11 20. Davis was identified in NMLS records as receiving course credit for REES’ 8-hour in-
12 person CE course in 2017. And it was determined that the course in which Davis enrolled had never
13 taken place and that Davis never attended an in-person course corresponding to the course credits that
14 she received from REES. Consequently, Davis never took a knowledge examination required for
15 course credit. It was determined that Davis had used REES to obtain one year of course credits in
16 2017 in violation of the ROC under the in-person fraud scheme.

17 21. The ROC provide in relevant part:

18 ROC 3: I understand that the SAFE Act and state laws require me to
19 spend a specific amount of time in specific subject areas. Accordingly,
20 I will not attempt to circumvent the requirements of any NMLS
approved course.

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

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

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

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1 Furthermore, Davis has not demonstrated the financial responsibility, character, and general fitness
2 required under Financial Code section 50141, subdivision (a)(3) of the CRMLA to continue to hold
3 an MLO license.

4 Accordingly, the Commissioner has grounds to revoke Davis' MLO license under Financial
5 Code sections 50513, subdivisions (a)(1) and (a)(2).

6 WHEREFORE IT IS PRAYED that the MLO license issued to Jennifer Davis be revoked.

7 Dated: April 18, 2022
8 Los Angeles, California

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection &
Innovation

10 By: _____
11 Allard Chu
12 Senior Counsel
13 Enforcement Division
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