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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.: 318503
14)
15 THE COMMISSIONER OF FINANCIAL) ACCUSATION
PROTECTION AND INNOVATION,)
16)
Complainant,)
17)
18 v.)
19)
MAYRA GONZALEZ,)
20)
Respondent.)
21)
22)

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

26 I.

27 **Jurisdiction**

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

1 engaged in the business of making, servicing, or brokering residential mortgage loans, including
2 mortgage loan originators (hereinafter, MLO or MLOs), under the California Financing Law (CFL)
3 (Fin. Code, § 22000 et seq.) and the California Residential Mortgage Lending Act (CRMLA) (Fin.
4 Code, § 50000 et seq.). The Commissioner is authorized to administer the CFL, CRMLA, and the
5 rules and regulations promulgated in title 10 of the California Code of Regulations (CCR). The
6 Commissioner has continuous authority to exercise the powers authorized by the CFL and CRMLA
7 even after a license has been surrendered, suspended, or revoked.

8 2. Gonzalez first received her MLO license from the Commissioner on August 26, 2011.

9 3. Gonzalez currently holds an approved MLO license and is sponsored by Home
10 Mortgage Alliance Corporation, which holds both CFL and CRMLA lenders licenses with the
11 department.

12 4. Under the provisions of Financial Code sections 50141, 50204, and 50513 of the
13 CRMLA, the Commissioner brings this action to revoke Gonzalez’s MLO license because Gonzalez
14 violated the Nationwide Mortgage Licensing System and Registry (NMLS) student Rules of Conduct
15 (ROC) by using the services of Danny Yen, d/b/a Real Estate Educational Services (REES) to
16 complete her NMLS-approved continuing education (CE) courses, which in turn constitutes a
17 violation of the licensing requirements of the Commissioner under the CRMLA as provided below.

18 5. Specifically, Gonzalez used and compensated REES to obtain credit through an in-
19 person education fraud scheme (the in-person fraud scheme). Under the in-person fraud scheme,
20 Gonzalez paid REES to annually report completion of an in-person course for four years from 2017
21 to 2020. REES did not teach the in-person course and Gonzalez never attended the in-person course
22 nor completed the required test or course work to receive course credit.

23 **II.**

24 **Statement of Facts**

25 *NMLS Pre-Licensing and Continuing Education*

26 6. The State Regulatory Registry LLC (SRR), which owns and operates the NMLS,
27 administers pre-licensing education (PE) and CE and Uniform State Test protocols. Title V of Public
28 Law 110-289, the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (the SAFE Act),

1 requires that state-licensed MLOs complete PE prior to initial licensure and annual CE thereafter.
2 (See Fin. Code, §§ 50142 and 50145.)

3 7. In order to meet PE requirements contemplated under the SAFE Act, state-licensed
4 MLOs must complete 20 hours of NMLS–approved education. (Fin. Code, § 50142.)

5 8. In order to meet CE requirements contemplated under the SAFE Act, state-licensed
6 MLOs must complete eight hours of NMLS–approved education on an annual basis. (Fin. Code, §
7 50145.)

8 *REES*

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

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

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

14 12. During all times relevant herein, REES had its primary place of business located at
15 3643 Adams Street, Carlsbad, California.

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

19 *REES Investigation*

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

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

27 16. In late 2020, SRR obtained information concerning suspicious activity and that
28 information identified a possible MLO education cheating scheme coordinated by and implemented

1 through REES and its owners and operators, including Danny Yen. Based on that information, and
2 pursuant to the AAP, SRR initiated an investigation into the matter.

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

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

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

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

13 20. NMLS records identified Gonzalez as having received course credit for REES’ 8-hour
14 in-person CE course in 2017, 2018, 2019, and 2020. And it was determined that none of these courses
15 in which Gonzalez enrolled ever took place and that Gonzalez never attended an in-person course
16 corresponding to the course credits that she received from REES. Consequently, Gonzalez never took
17 a knowledge examination required for course credit. It was determined that Gonzalez had used REES
18 to obtain four years of course credits from 2017 to 2020 in violation of the ROC under the in-person
19 fraud scheme.

20 21. The ROC provide in relevant part:

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

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

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

28 ROC 9: I will not engage in any conduct that is dishonest, fraudulent,
or would adversely impact the integrity of the course(s) I am

1 completing and the conditions for which I am seeking licensure or
2 renewal of licensure.

3 22. By paying for fraudulent course credits through a non-existent course, Gonzalez
4 violated ROC 3, 4, 5, and 9, and engaged in conduct that was dishonest, fraudulent, and that
5 adversely impacted the integrity of the courses Gonzalez completed and the conditions and
6 qualifications for which Gonzalez sought licensure or renewal of licensure.

7 **III.**

8 **Violations of the CRMLA**

9 23. The Commissioner may revoke an MLO license if a licensee violates any provision of
10 the CRMLA, or any rules or regulations adopted thereunder. (Fin. Code, § 50513, subd. (a)(1).)

11 24. As described in paragraphs 19 through 20, Gonzalez used REES to obtain four years
12 of course credits from 2017 to 2020 under the in-person fraud scheme. Gonzalez violated ROC 3, 4,
13 5, and 9 by using REES to falsely obtain course credits through an in-person course that she never
14 attended for the years 2017, 2018, 2019, and 2020. In falsely obtaining course credits through an in-
15 person course that she never attended, Gonzalez violated Financial Code section 50204, subdivision
16 (k), which provides in pertinent part:

17 A licensee may not do any of the following:

18
19 (k) Do an act, whether of the same or a different character than
20 specified in this section, that constitutes fraud or dishonest dealings.

21 25. Thus, Gonzalez violated provisions of the CRMLA, and under Financial Code section
22 50513, subdivision (a)(1), Gonzalez’s MLO license must be revoked.

23 **IV.**

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

25 26. The Commissioner must deny an MLO license if the licensee fails to meet the
26 minimum criteria for licensure, which includes a requirement that the applicant “has demonstrated
27 such financial responsibility, character and general fitness as to command the confidence of the
28

1 community and to warrant a determination that the [MLO] will operate honestly, fairly, and
2 efficiently within the purposes of this division.” (Fin. Code, § 50141, subd. (a)(3).)

3 27. As described in paragraphs 19 through 20, above, Gonzalez violated ROC 3, 4, 5, and
4 9 by using REES to falsely obtain course credits through an in-person course that she never attended
5 for the years 2017, 2018, 2019, and 2020.

6 28. In violating the ROC by using REES to falsely obtain course credits through an in-
7 person course that she never attended for the years 2017, 2018, 2019, and 2020, Gonzalez does not
8 meet the minimum criteria for licensure under the CRMLA and her license must be revoked under
9 Financial Code section 50513, subdivision (a)(2).

10 **V.**

11 **Applicable Statutes**

12 29. Financial Code section 50141 provides in pertinent part:

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

16
17 (3) The applicant has demonstrated such financial responsibility,
18 character, and general fitness as to command the confidence of the
19 community and to warrant a determination that the [MLO] will operate
20 honestly, fairly, and efficiently within the purposes of this division.

21 30. Financial Code section 50513 provides in pertinent part:

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

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

26 (2) Deny, suspend, revoke, condition, or decline to renew a [MLO]
27 license if an applicant or licensee fails at any time to meet the
28 requirements of Section 50141 or 50144, or withholds information or
makes a material misstatement in an application for a license or license
renewal.

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VI.

Prayer

For the reasons set forth above, the Commissioner finds that Gonzalez participated in the in-person fraud scheme in violation of the ROC and Financial Code section 50204, subdivision (k). Furthermore, Gonzalez has not demonstrated the financial responsibility, character, and general fitness required under Financial Code section 50141, subdivision (a)(3) of the CRMLA to continue to hold an MLO license.

Accordingly, the Commissioner has grounds to revoke Gonzalez’s MLO license under Financial Code sections 50513, subdivisions (a)(1) and (a)(2).

WHEREFORE IT IS PRAYED that the MLO license issued to Mayra Gonzalez be revoked.

Dated: April 14, 2022
Los Angeles, California

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection &
Innovation

By: _____
Blaine A. Noblett
Senior Counsel
Enforcement Division