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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.: 243182  
14 )  
15 THE COMMISSIONER OF FINANCIAL ) ACCUSATION  
PROTECTION AND INNOVATION, )  
16 )  
Complainant, )  
17 )  
18 v. )  
19 )  
CYNTHIA LAMBERT, )  
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 Cynthia Lambert (Lambert) as follows.

26 I.

27 **Jurisdiction**

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



1 (See Fin. Code, §§ 22109.2 and 22109.5.)

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

4 8. In order to meet CE requirements contemplated under the SAFE Act, state-licensed  
5 MLOs must complete eight hours of NMLS–approved education on an annual basis. (Fin. Code, §  
6 22109.5.)

7 *REES*

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

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

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

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

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

18 *REES Investigation*

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

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

26 16. In late 2020, SRR obtained information concerning suspicious activity and that  
27 information identified a possible MLO education cheating scheme coordinated by and implemented  
28 through REES and its owners and operators, including Danny Yen. Based on that information, and

1 pursuant to the AAP, SRR initiated an investigation into the matter.

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

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

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

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

12 20. Lambert was identified in NMLS records as receiving course credit for REES’ 8-hour  
13 in-person CE course offered in 2018 and 2020. And it was determined that neither of those courses in  
14 which Lambert enrolled had ever taken place and that Lambert never attended an in-person course  
15 corresponding to the course credits that she received from REES. Consequently, Lambert never took  
16 a knowledge examination required for course credit. It was determined that Lambert had used REES  
17 to obtain two years of course credits in 2018 and 2020 in violation of the ROC under the in-person  
18 fraud scheme.

19 21. The ROC provide in relevant part:

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

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

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

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





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(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 Section 22109.1 or 22109.4, or withholds information or makes a material misstatement in an application for a license or license renewal.

**VI.**

**Prayer**

For the reasons set forth above, the Commissioner finds that Lambert participated in the in-person fraud scheme in violation of the ROC and Financial Code section 22755, subdivisions (b), (g), (h), and (j). Furthermore, Lambert has not demonstrated the financial responsibility, character, and general fitness required under Financial Code section 22109.1, subdivision (a)(3) of the CFL to continue to hold an MLO license.

Accordingly, the Commissioner has grounds to revoke Lambert’s MLO license under Financial Code section 22172, subdivisions (a)(1) and (a)(2).

WHEREFORE IT IS PRAYED that the MLO license issued to Cynthia Lambert be revoked.

Dated: March 24, 2022  
Los Angeles, California

CLOTHILDE V. HEWLETT  
Commissioner of Financial Protection &  
Innovation

By: \_\_\_\_\_  
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Senior Counsel  
Enforcement Division