

BEFORE THE  
DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION  
STATE OF CALIFORNIA

In the Matter of:

COMMISSIONER OF FINANCIAL PROTECTION  
AND INNOVATION,

Complainant,

v.

GINGER BERNICE TAVAREZ,

Respondent.

Agency No. 339063

OAH No. 2022060073


DECISION

The attached Proposed Decision of the Administrative Law Judge is hereby adopted by the Department of Financial Protection and Innovation as its Decision in the above-entitled matter, with technical or other minor changes as shown on the attached Errata Sheet. The attached Errata Sheet is incorporated by reference pursuant to Government Code section 11517, subdivision (c)(2)(C).

This Decision shall become effective on April 15, 2023.

IT IS SO ORDERED THIS 15 day of March, 2023.



  
CLOTHILDE V. HEWLETT  
Commissioner of  
Financial Protection and Innovation

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

**In the Matter of the Accusation against:**

**GINGER BERNICE TAVAREZ, Respondent.**

**Agency Case No. 339063**

**OAH No. 2022060073**

**PROPOSED DECISION**

Glynda B. Gomez, Administrative Law Judge, Office of Administrative Hearings (OAH), State of California, heard this matter on November 9, 2022 by videoconference.

Allard Chu, Senior Counsel and Denise Smith, Senior Counsel, appeared on behalf of Complainant.

Respondent Ginger Bernice Tavaréz (Respondent) appeared and represented herself.

Oral and documentary evidence was received. The record was closed and the matter was submitted for decision on November 9, 2022.

## **STATEMENT OF THE CASE**

This matter is governed by the California Financing Law (CFL), Division 9 of the Financial Code, sections 22000 through 22780.1. Respondent holds a current MLO license. In the 2017, 2018, 2019 and 2020, Respondent paid a course provider to make it appear, that she had attended in-person courses and passed final examinations required by the CFL for license renewal when she had not done so.

## **FACTUAL FINDINGS**

### **Jurisdictional Matters**

1. Clothilde V. Hewlett (Complainant), the Commissioner of the Department of Financial Protection and Innovation (Department), filed and served this Accusation in an official capacity. Respondent timely filed and served a Notice of Defense. All requirements for jurisdiction have been met.

2. Respondent holds approved Mortgage Loan Originator (MLO) license number 339603 issued on December 3, 2014 and is sponsored by Barrett Financial Group, LLC, a licensed lender, holding license number 60DBO-46052.

### **Regulatory Scheme**

3. This matter concerns respondent's license as an MLO, a mortgage loan originator. Under Financial Code section 22013, subdivision (a): "'Mortgage loan originator' means an individual who, for compensation or gain, or in the expectation of

compensation or gain, takes a residential mortgage loan application or offers or negotiates terms of a residential mortgage loan."

4. Applications for an MLO license and for license renewal are submitted to the Department by means of the Nationwide Mortgage Licensing System and Registry (NMLS). As set out in Financial Code section 22012, subdivision (d), NMLS is a mortgage licensing system developed and maintained by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators for the licensing and registration of licensed MLOs.

5. The Commissioner of Financial Protection and Innovation (Commissioner) has jurisdiction over the licensing and regulation of persons engaged in the business of making, servicing, or brokering residential mortgage loans, including MLOs, under California Financing Law (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 California Code of Regulations, title 10. The Commissioner has continuous authority to exercise the powers authorized by the CFL and CRMLA even after a license has been surrendered, suspended, or revoked.

6. MLOs in California are required to complete an NMLS-approved 20-hour course of pre-licensing education (PE). To renew a license, an MLO must complete an NMLS-approved 8-hour course of continuing education (CE). To receive course credit, a student must pass with a final examination score of 70 percent or higher. Under federal law, NMLS is required to administer PE and CE in accordance with the SAFE Act (the federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (Public Law 110-289)), pursuant to Financial Code section 29012, subdivision (f).

7. The State Regulatory Registry LLC (SRR), which operates the NMLS, administers pre-licensing education (PE) and continuing education (CE) and Uniform State Test protocols.

8. 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).

9. 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.

## **REES**

10. Danny Yen (Yen) operated Real Estate Educational Services (REES), as a sole proprietor under a fictitious business name certificate from San Diego county. The business address for Yen and REES was 3643 Adams Street, Carlsbad, California.

11. REES was an NMLS-approved course provider during the 2017 to 2020 time period and held provider number 140506. The NMLS approved REES to offer one in-person 8-hour course entitled DBO-SAFE Act Comprehensive: Mortgage Continuing Education in June of 2017 and the course approval was renewed in 2018, 2019 and 2020. REES did not seek to renew its course approval in 2021. The course REES was approved to provide included a text book, live instruction and a power point presentation to be provided in-person at an address in Westminster. Yen was the only REES affiliated teacher approved by the NMLS. REES was not approved by the NMLS to offer online PE or CE to MLOs.

12. Yen read and acknowledged the NMLS requirements including verifying student's identity, obtaining signed ROC forms from the students, and the NMLS record retention policy. During the period of 2017 to 2020, Yen provided certificates of completion of CE to students who had not completed his class in-person or otherwise and who never completed an examination for the classes. Respondent was one of those students.

13. In late 2020, SRR investigated suspicious activity and information which suggested a possible MLO education cheating and fraud scheme coordinated by Yen and implemented through REES. During the investigation, SRR learned that REES fraudulently provided course credit to MLOs, including Respondent, who had never attended or completed REES' 8-hour in-person CE course.

14. REES' course provider approval was revoked in March of 2021 because of the fraudulent operation.

### **Respondent's CE**

15. Respondent was identified in NMLS records as receiving course credit for REES' 8-hour in-person CE course in 2017, 2018, 2019, 2020. Respondent identified the REES courses to fulfill her CE requirements in 2018, 2019, 2020 and 2021. SRR determined that the courses Respondent claimed to have enrolled in never occurred and that Respondent did not attend an in-person course corresponding to the course credits that she received from REES in 2017, 2018, 2019 and 2020. Consequently, Respondent never took a knowledge examination required for course credit. At hearing, Respondent admitted that she did not attend any of the REES courses in-person or otherwise and did not complete any of the work or examinations pertinent to the course credit she claimed.

16. Respondent explained that initially she had been referred to REES by one of her employers when she needed to complete her CE courses in 2017. Yee contacted her each year and advised her that her CE course had been completed and she was charged for the associated tuition fee in 2017, 2018, 2019 and 2020, but never completed any work. She inquired with Yee on one occasion about the legitimacy of the course credit, but accepted Yee's assurances that her credit was legitimate. She never contacted licensing or regulatory authorities about her concerns.

17. Respondent acknowledged that her conduct was inexcusable and displayed poor judgement. She expressed that she was somewhat confused by Yen, but when he assured her that her CE requirements had been fulfilled, she did not inquire any further. Respondent was aware of the ROC and signed them each year. Respondent acknowledged that her conduct was not consistent with the ROC.

18. The ROC provide in relevant part:

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

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

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

///

ROC 9: I will not engaged in any conduct that is dishonest, fraudulent, 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.

19. Respondent admitted that she violated the ROC 3, 4, 5 and 9 by using REES to falsely obtain four years of CE course credits through courses that she did not attend in 2017, 2018, 2019 and 2020. Respondent's conduct was fraudulent and dishonest.

20. Respondent expressed remorse, but did not offer any substantial mitigation or rehabilitation evidence.

### **LEGAL CONCLUSIONS**

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

2. Respondent used REES to obtain four years of course credits in 2017, 2018, 2019 and 2020 to which she was not entitled. In falsely obtaining and reporting course credits, Respondent violated the CFL (Financial Code sections 22172, subdivision (a)(1) and 22755, subdivisions (b), (g), (h), and (j)).

3. The Commissioner must deny an 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).)

4. Respondent's conduct in violating the ROC by using REES to falsely obtain course credits through in-person courses that she never attended in 2017, 2018, 2019 and 2020 fails to meet the minimum criteria for licensure under the CFL.  
(Fin. Code § 22172, subdivision (a)(2).

5. Under Financial Code section 22109.1, subdivision (a)(3), Respondent is not qualified to act as an MLO. In light of Respondent's misconduct, Respondent has not demonstrated such financial responsibility, character, and general fitness as to command the confidence of the community and to warrant a determination that she as an MLO will operate honestly, fairly, and efficiently within the purposes of the CFL.

6. Respondent's wrongdoing was serious and occurred multiple times over a four year period of time. It was part of a larger scheme involving other bad actors. The conduct threatened the integrity of a system designed to protect high-value assets, especially real property. It threatened the public good. For the protection of the public, respondent's MLO license must be revoked.

///

///

///

///

///

## **ORDER**

Mortgage Loan Originator license, number 339603, under the Nationwide Mortgage Licensing System and Registry, by which Respondent, Gloria Bernice Tavaréz, was permitted to practice as a Mortgage Loan Originator, is revoked.

DATE: 12/08/2022



GLYNDA B. GOMEZ

Administrative Law Judge

Office of Administrative Hearings

## ERRATA SHEET

(Changes to Proposed Decision – In the Matter of the Accusation against Ginger Bernice Tavarez – OAH No. 2022060073)

1. On Page 2, in the “Statement of the Case” section, delete “the” and “,” in the third sentence, as shown: “In ~~the~~ 2017, 2018, 2019, and 2020, Respondent paid a course provider to make it appear, that she had attended...”
2. On Page 5, Paragraph #15 in the Proposed Decision’s “Factual Findings” section, add the following to the first sentence, as shown: “... CE course in 2017, 2018, 2019, and 2020.”
3. On Page 6, Paragraph #16 in the Proposed Decision’s “Factual Findings” section, “Yen” is misspelled as “Yee” three times. Correct as shown:

Respondent explained that initially she had been referred to REES by one of her employers when she needed to complete her CE courses in 2017. ~~Yee~~**Yen** contacted her each year and advised her that her CE course had been completed and she was charged for the associated tuition fee in 2017, 2018, 2019 and 2020, but never completed any work. She inquired with ~~Yee~~**Yen** on one occasion about the legitimacy of the course credit, but accepted ~~Yee’s~~**Yen’s** assurances that her credit was legitimate. She never contacted licensing or regulatory authorities about her concerns.