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FILED

SEP 06 2022

DEPT. OF REAL ESTATE

By 

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8
9 BEFORE THE DEPARTMENT OF REAL ESTATE
10 STATE OF CALIFORNIA

11 * * *

12 In the Matter of the Accusation of) No. H-05331 SD
13 CHARLES OMER RITTGERS,) A C C U S A T I O N
14 Respondent.)
15 _____)

16 The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the
17 State of California, for cause of Accusation against CHARLES OMER RITTGERS
18 (“Respondent”), is informed and alleges as follows:

19 1.

20 The Complainant, Veronica Kilpatrick, acting in her official capacity as a
21 Supervising Special Investigator of the State of California, makes this Accusation against
22 CHARLES OMER RITTGERS.

23 2.

24 All references to the “Code” are to the Real Estate Law, Part 1 of Division 4 of
25 the California Business and Professions Code.

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Accusation of Charles Omer Rittgers

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3.

Respondent presently has license rights under the Real Estate Law, Part 1 of Division 4 of the Code, as a real estate broker. Respondent also has an individual mortgage loan originator (“MLO”) license endorsement.

4.

Respondent is currently, or at the time of the violations described herein was, employed by and authorized to represent C2 Financial Corporation, a mortgage company licensed under the Department of Real Estate.

5.

Respondent violated the National Mortgage Licensing System and Registry (“NMLS”) student Rules of Conduct by using the services of Danny Yen, doing business as Real Estate Educational Services, to complete Respondent’s NMLS-approved online continuing education courses, which constitutes a violation of the licensing requirements of this state and under federal law. Specifically, Respondent used and compensated Real Estate Educational Services to complete classes in 2019 and 2020 on Respondent’s behalf. All of the courses for which Respondent received course credit were completed by Real Estate Educational Services through an Internet Protocol (“IP”) address associated with Real Estate Educational Services, rather than an IP address associated with Respondent.

6.

The State Regulatory Registry LLC (“State Regulatory Registry”), which owns and operates the NMLS, administers pre-licensure and continuing education and Uniform State Test protocols. Title V of Public Law 110-289, the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (“SAFE Act”), requires that state-licensed MLOs complete pre-licensure education courses prior to initial licensure and annual continuing education courses thereafter. (See Code section 10166.06).

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In order to meet pre-licensure education requirements contemplated under the SAFE Act, state-licensed MLOs must complete 20 hours of NMLS-approved education. Code section 10166.06(a).

8.

In order to meet continuing education requirements contemplated under the SAFE Act, state-licensed MLOs must complete eight hours of NMLS-approved education. Code section 10166.10(a).

9.

Real Estate Educational Services had NMLS course provider number 1405046 and was an NMLS-approved course provider during the years 2017 to 2020.

10.

The NMLS had approved Real Estate Educational Services to offer one in-person 8-hour "DBO-SAFE Act Comprehensive: Mortgage Continuing Education" course.

11.

Real Estate Educational Services was never approved by the NMLS to offer online pre-licensure or online continuing education to MLOs.

12.

During all times relevant herein, Real Estate Educational Services had its primary place of business located at 3643 Adams Street, Carlsbad, California.

13.

During all times relevant herein, Real Estate Educational Services, by and through Danny Yen, maintained with Danny Yen's Internet Service Provider an IP address at 76.88.84.139 ("the relevant IP Address"). The relevant IP Address assigned to Danny Yen is associated with Real Estate Educational Services's business address, 3643 Adams Street, Carlsbad, California.

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

15.

The Administrative Action Procedures also extends administrative authority to the Mortgage Testing and Education Board and the State Regulatory Registry to investigate alleged violations of the NMLS Standards of Conduct (“Standards of Conduct”), which apply to all NMLS–Approved course providers.

16.

In late 2020, the State Regulatory Registry obtained information concerning suspicious activity and that that information identified a possible MLO education cheating scheme coordinated by and implemented through Real Estate Educational Services and its owners and operators, including Danny Yen. Based on that information, and pursuant to the Administrative Action Procedures, the State Regulatory Registry initiated an investigation into the matter.

17.

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

18.

Subsequent State Regulatory Registry research (“State Regulatory Registry report”) found at least 113 education students associated with taking online pre-licensure and continuing education courses from the relevant IP Address in Carlsbad, California.

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Respondent was identified in the State Regulatory Registry report as one of the 113 students that had completed pre-licensure or continuing education courses from the relevant IP Address in Carlsbad, California and who received NMLS course credit.

20.

A Department of Real Estate investigation has determined that the relevant IP Address belonged to Danny Yen, Real Estate Educational Services' owner and operator, at the physical address 3643 Adams Street, Carlsbad, California.

21.

Respondent does not reside or work at 3643 Adams Street, Carlsbad, California, the physical address associated with the relevant IP Address identified by the Department of Real Estate as belonging to Real Estate Educational Services.

22.

Based upon the results of the State Regulatory Registry report and the relevant IP Address information, it was determined that Respondent had used the services of Real Estate Educational Services and compensated Real Estate Educational Services to complete continuing education courses in 2019 and 2020, in violation of the Rules of Conduct.

23.

The Rules of Conduct provide in relevant part:

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

Rules of Conduct 5: I will not seek or attempt to seek outside assistance to complete the course.

Rules of Conduct 9: I will not engage 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.

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1 24.

2 By using the services of another to complete his continuing education course,
3 Respondent violated Rules of Conduct 4, 5, and 9, and engaged in conduct that was dishonest,
4 fraudulent, and that adversely impacted the integrity of the courses he completed and the
5 conditions and qualifications for which he sought licensure or renewal of licensure.

6 25.

7 In violating the Rules of Conduct by using the services of another to complete
8 his continuing education course, Respondent does not meet the minimum criteria for licensure
9 under Code section 10166.05(c). The conduct of Respondent, as alleged above, is grounds for
10 the suspension or revocation of Respondent's license, MLO license endorsement, and license
11 rights pursuant to the provisions of Code sections 10166.051(b), 10177(a), 10177(d), 10177(g)
12 and/or 10177(j).

13 26.

14 Code section 10106 provides, in pertinent part, that in any order issued in
15 resolution of a disciplinary proceeding before the Department of Real Estate, the Commissioner
16 may request the administrative law judge to direct a licensee found to have committed a
17 violation of this part to pay a sum not to exceed the reasonable costs of the investigation and
18 enforcement of the case.

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WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against all the licenses, license endorsements, and license rights of Respondent CHARLES OMER RITTGERS under the Real Estate Law, for the cost of investigation and enforcement as permitted by law, and for such other and further relief as may be proper under other applicable provisions of law.

Dated at San Diego, California
this 6 day of September, 2022

Veronica Kilpatrick

Veronica Kilpatrick
Supervising Special Investigator

cc: CHARLES OMER RITTGERS
C2 Financial Corporation
Veronica Kilpatrick
Sacto.