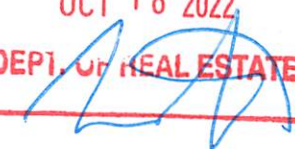


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**FILED**  
OCT 18 2022  
DEPT. OF REAL ESTATE  
By 

8 BEFORE THE DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation Against ) DRE No. H-05692 SD  
12 )  
13 ELAINE TAM NGHIEM, ) ACCUSATION  
14 Respondent. )  
15 \_\_\_\_\_ )

16 The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the  
17 State of California, for cause of Accusation against ELAINE TAM NGHIEM (Respondent),  
18 alleges as follows:

19 1.

20 The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the  
21 State of California, makes this Accusation in her official capacity.

22 2.

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

25 ///

26 ///

27 ///

ACCUSATION



1 of 2008 (the SAFE Act), requires that state-licensed MLOs complete PE prior to initial  
2 licensure and annual CE thereafter. (See Code section 10166.06.)

3 6.

4 In order to meet PE requirements contemplated under the SAFE Act, state-  
5 licensed MLOs must complete twenty (20) hours of NMLS-approved education. (Code section  
6 10166.06(a).)

7 7.

8 In order to meet CE requirements contemplated under the SAFE Act, state-  
9 licensed MLOs must complete eight (8) hours of NMLS-approved education. (Code section  
10 10166.10(a).)

11 REES

12 8.

13 REES, with NMLS course provider number 1405046, was an NMLS-approved  
14 course provider during the years 2017 to 2020.

15 9.

16 The NMLS had approved REES to offer one (1) in-person 8-hour “DBO-SAFE  
17 Act Comprehensive: Mortgage Continuing Education” course in a classroom format located at  
18 15751 Brookhurst Street, Suite 230, Westminster, California (Westminster address).

19 10.

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

21 11.

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

24 REES Investigation

25 12.

26 The Mortgage Testing and Education Board (MTEB), which was created by  
27 SRR, has approved “Administrative Action Procedures for S.A.F.E. Testing and Education

1 Requirements” (AAP), which extends administrative authority to the MTEB to investigate  
2 alleged violations of the NMLS student Rules of Conduct (ROC).

3 13.

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

7 14.

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

12 Findings of SRR and Department Investigation

13 15.

14 On or about December 15, 2020, SRR staff were informed of suspected  
15 individuals completing online NMLS–approved education courses on behalf of another.

16 16.

17 Additional investigation revealed evidence that REES fraudulently provided  
18 course credit to MLOs who had never attended and completed REES’ 8-hour in-person CE  
19 course in Westminster, California in the in-person fraud scheme.

20 17.

21 Respondent was identified in NMLS records as receiving course credit for  
22 REES’ 8-hour in-person CE course in 2017, 2018, 2019, and 2020. It was determined that none  
23 of these in-person courses ever took place and that Respondent never attended an in-person  
24 course corresponding to the course credits Respondent received. Consequently, Respondent  
25 never took a knowledge examination required for course credit. It was determined that  
26 Respondent had used REES to obtain four (4) years of course credits from 2017 to 2020 in  
27 violation of the ROC under the in-person fraud scheme.

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

ROC 8: I will not engage in any capacity that would be contrary to good character or reputation, or engage in any behavior that would cause the public to believe that I would not operate in the mortgage loan business lawfully, honestly or fairly.

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

19.

By using the services of another to complete her CE and receiving fraudulent course credits through a non-existent course, Respondent violated ROC 3, 5, 8 and 9, and engaged in conduct that was dishonest, fraudulent, and that adversely impacted the integrity of the courses and the conditions and qualifications for which Respondent sought licensure or renewal of licensure.

Financial Responsibility, Character, and General Fitness

20.

Pursuant to Code section 10166.05(c), the Commissioner must deny a MLO license endorsement 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.”



1 hereunder.

2 (b) Deny, suspend, revoke, condition, or decline to renew a mortgage loan  
3 originator license endorsement, if an application or endorsement holder fails at any time to  
4 meet the requirements of Section 10166.05 or 10166.09, or withholds information or makes a  
5 material misstatement in an application for a license endorsement or license endorsement  
6 renewal.”

7 25.

8 Section 10177 of the Code provides in pertinent part, “[t]he Commissioner may  
9 suspend or revoke the license of a real estate licensee, delay the renewal of a license of a real  
10 estate licensee, or deny the issuance of a license to an applicant, who has done any of the  
11 following...

12 ...

13 (d) Willfully disregarded or violated the Real Estate Law (Part 1 (commencing  
14 with Section 10000)) or Chapter 1 (commencing with Section 11000) of Part 2 or the rules and  
15 regulations of the commissioner for the administration and enforcement of the Real Estate Law  
16 and Chapter 1 (commencing with Section 11000) of Part 2.

17 ...

18 (g) Demonstrated negligence or incompetence in performing an act for which  
19 the officer, director, or person is required to hold a license.

20 ...

21 (j) Engaged in any other conduct, whether of the same or of a different character  
22 than specified in this section, that constitutes fraud or dishonest dealing.

23 COSTS

24 (INVESTIGATION AND ENFORCEMENT COSTS)

25 26.

26 Section 10106 of the Code, provides, in pertinent part, that in any order issued in  
27 resolution of a disciplinary proceeding before the Department, the Commissioner may request

1 the administrative law judge to direct a licensee found to have committed a violation of this  
2 part to pay a sum not to exceed the reasonable costs of investigation and enforcement of the  
3 case.

4 WHEREFORE, Complainant prays that a hearing be conducted on the  
5 allegations of this Accusation and that upon proof thereof, a decision be rendered imposing  
6 disciplinary action against the license(s), MLO endorsement, and/or license rights of  
7 Respondent ELAINE TAM NGHIEM under the Real Estate Law, for the costs of investigation  
8 and enforcement as permitted by law and for such other and further relief as may be proper  
9 under other applicable provisions of law.

10  
11 Dated at San Diego, California this 14 day of October, 2022.

12  
13  
14 *Veronica Kilpatrick*  
15 \_\_\_\_\_  
16 Veronica Kilpatrick  
17 Supervising Special Investigator  
18  
19  
20

21 cc: ELAINE TAM NGHIEM  
22 LendingUS, Inc.  
23 Veronica Kilpatrick  
24 Sacto.  
25  
26  
27