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FILED
SEP 21 2022
DEPT. OF REAL ESTATE
By 

9 BEFORE THE DEPARTMENT OF REAL ESTATE
10 STATE OF CALIFORNIA

11 * * *

12 In the Matter of the Accusation Against) DRE No. H-05332 SD
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ISSA GASSAN METRI,

Respondent.

ACCUSATION

16 The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the
17 State of California, for cause of Accusation against ISSA GASSAN METRI, (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.

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26 ///

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ACCUSATION

1 LICENSE HISTORY

2 3.

3 a. Respondent is presently licensed and/or has license rights under the Code, as a
4 real estate broker with Department of Real Estate (Department) license ID 01498399.

5 b. Respondent's broker license was originally issued on September 18, 2006,
6 and is scheduled to expire on September 17, 2026, unless renewed.

7 c. Respondent currently holds a Mortgage Loan Originator (MLO) license
8 endorsement with the Department with the assigned National Mortgage Licensing System and
9 Registry (NMLS) No. 1212178. From June 20, 2017, through May 8, 2021, Respondent was
10 authorized to represent Tierra Services with NMLS No. 1561743. Respondent's current MLO
11 license endorsement status is "Approved-Inactive."

12 STATEMENT OF FACTS

13 4.

14 Respondent violated the NMLS student Rules of Conduct (ROC) by using the
15 services of Danny Yen, dba Real Estate Educational Services (REES) to complete his NMLS-
16 approved continuing education (CE) courses, which constitutes a violation of the licensing
17 requirements of this state and under federal law. Specifically, Respondent compensated and
18 used REES to obtain credit through an in-person fraud scheme. Under the in-person fraud
19 scheme, Respondent used REES to annually report completion of an in-person course for three
20 years from 2018 to 2020. REES did not teach the in-person course and Respondent never
21 attended the in-person course nor completed the required exam or course work to receive
22 course credit.

23 NMLS Pre-Licensing and Continuing Education

24 5.

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

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 in-person 8-hour “DBO-SAFE Act
17 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 that 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 2018, 2019, and 2020. It was determined that none of
23 these in-person courses ever took place and Respondent never attended an in-person course
24 corresponding to the course credits Respondent received. Consequently, Respondent never took
25 a knowledge examination required for course credit. It was determined that Respondent had
26 used REES to obtain three years of course credits from 2018 to 2020 in violation of the ROC
27 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 his 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.

Survey

20.

In or about August 2021, Respondent was provided an opportunity via a survey to disclose information about his participation in the REES online PE and CE education fraud. On or about August 21, 2021, Respondent provided a response to the survey request. In response to the survey, Respondent stated he was familiar with Danny Yen. Respondent stated he attended in person each DBO-SAFE Act Comprehensive: Mortgage Continuing Education

1 course in which he enrolled. Respondent denied receiving course credit for which Respondent
2 did not personally attend.

3 Financial Responsibility, Character, and General Fitness

4 21.

5 Pursuant to Code section 10166.05(c), the Commissioner must deny a MLO
6 license endorsement if the licensee fails to meet the minimum criteria for licensure, which
7 includes a requirement that the applicant “has demonstrated such financial responsibility,
8 character and general fitness as to command the confidence of the community and to warrant a
9 determination that the [MLO] will operate honestly, fairly, and efficiently within the purposes
10 of this division.”

11 22.

12 As described in paragraphs 15 through 19 above, Respondent violated ROC 3, 5,
13 8 and 9 by using the services of another, REES, to falsely obtain course credits through an in-
14 person course that Respondent never attended for the years 2018 to 2020.

15 23.

16 In violating the ROC by using the services of another to falsely obtain course
17 credits, Respondent does not meet the minimum criteria for licensure under Code section
18 10166.05(c). The conduct of Respondent, as alleged above, is grounds for the suspension or
19 revocation of Respondent’s license, MLO license endorsement, and license rights pursuant to
20 the provisions of Code sections 10166.051(a), 10166.051(b), 10177(d), 10177(g) and/or
21 10177(j).

22 GROUNDS FOR DISCIPLINARY ACTION

23 24.

24 **Section 10166.05 of the Code** provides in pertinent part, “Notwithstanding any
25 other provision of law, the commissioner shall not issue a license endorsement to act as a
26 mortgage loan originator to an applicant unless the commissioner makes all of the following
27 findings:

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(c) The applicant has demonstrated such financial responsibility, character, and general fitness as to command the confidence of the community and warrant a determination that the mortgage loan originator will operate honestly, fairly, and efficiently within the purposes of this article.”

25.

Section 10166.051 of the Code provides in pertinent part, “...the commissioner may do one or more of the following, after appropriate notice and opportunity for hearing:

(a) Deny, suspend, revoke, restrict, or decline to renew a mortgage loan originator license endorsement for a violation of this article, or any rules or regulations adopted hereunder.

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

26.

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

...

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

...

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

3 ...

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

6 COSTS

7 (INVESTIGATION AND ENFORCEMENT COSTS)

8 27.

9 Section 10106 of the Code, provides, in pertinent part, that in any order issued in
10 resolution of a disciplinary proceeding before the Department, the Commissioner may request
11 the administrative law judge to direct a licensee found to have committed a violation of this
12 part to pay a sum not to exceed the reasonable costs of investigation and enforcement of the
13 case.

14 WHEREFORE, Complainant prays that a hearing be conducted on the allegations of
15 this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary
16 action against the license(s), MLO endorsement, and/or license rights of Respondent ISSA
17 GASSAN METRI under the Real Estate Law, for the costs of investigation and enforcement as
18 permitted by law and for such other and further relief as may be proper under other applicable
19 provisions of law.

20
21 Dated at San Diego, California this 20 day of September, 2022.

22
23 *Veronica Kilpatrick*

24 _____
25 Veronica Kilpatrick
26 Supervising Special Investigator

27 cc: ISSA GASSAN METRI
Veronica Kilpatrick
Sacto.