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FILED

MAY 05 2023

DEPT. OF REAL ESTATE

By 

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

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| In the Matter of the Accusation of |) | No. H-05708 SD |
| |) | |
| JORGE NILA, |) | <u>A C C U S A T I O N</u> |
| |) | |
| Respondent. |) | |
| |) | |

The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the State of California, for cause of Accusation against JORGE NILA ("Respondent"), is informed and alleges as follows:

1.

The Complainant, Veronica Kilpatrick, acting in her official capacity as a Supervising Special Investigator of the State of California, makes this Accusation against JORGE NILA.

2.

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

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Accusation of Jorge Nila

1 3.

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

5 4.

6 Respondent is currently, or at the time of the violations described herein was,
7 employed by and authorized to represent Secure Choice Lending, a mortgage company licensed
8 under the Department of Real Estate.

9 5.

10 Respondent violated the National Mortgage Licensing System and Registry
11 ("NMLS") student Rules of Conduct by using the services of Danny Yen, doing business as
12 Real Estate Educational Services, to complete Respondent's NMLS-approved continuing
13 education courses, which constitutes a violation of the licensing requirements of this state and
14 under federal law. Specifically, Respondent used and compensated Real Estate Educational
15 Services to obtain credit through an in-person fraud scheme. Under the in-person fraud
16 scheme, Respondent used Real Estate Educational Services to report completion of an in-
17 person course for one year in 2020. Real Estate Educational Services did not teach the in-
18 person course and Respondent never attended the in-person course nor completed the required
19 exam or course work to receive course credit.

20 6.

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

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1 7.

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

5 8.

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

9 9.

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

12 10.

13 The NMLS had approved Real Estate Educational Services to offer one
14 in-person 8-hour "DBO-SAFE Act Comprehensive: Mortgage Continuing Education" course
15 in a classroom format located at 15751 Brookhurst Street, Suite 230, Westminster, California
16 ("Westminster address").

17 11.

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

20 12.

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

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13.

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”).

14.

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.

15.

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.

16.

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

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17.

Additional investigation revealed evidence that Real Estate Educational Services fraudulently provided course credit to MLOs who had never attended and completed Real Estate Educational Services's 8-hour in-person continuing education course in Westminster, California in the in-person fraud scheme.

18.

Respondent was identified in NMLS records as receiving course credit for Real Estate Educational Services's 8-hour in-person continuing education course in 2020. It was determined that none of these in-person courses ever took place and Respondent never attended an in-person course corresponding to the course credits Respondent received. Consequently, Respondent never took a knowledge examination required for course credit. It was determined that Respondent had used Real Estate Educational Services to obtain one year of course credits in 2020 in violation of the Rules of Conduct under the in-person fraud scheme.

19.

The Rules of Conduct provide in relevant part:

Rules of Conduct 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.

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

Rules of Conduct 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.

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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Accusation of Jorge Nila

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By using the services of another to complete Respondent's continuing education and receiving fraudulent course credits through a non-existent course, Respondent violated Rules of Conduct 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.

21.

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

22.

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

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

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8 Dated at San Diego, California

9 this 4th day of May, 2023

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11
12 Veronica Kilpatrick
13 Supervising Special Investigator

14 cc: JORGE NILA
15 Secure Choice Lending
16 Veronica Kilpatrick
17 Sacto.
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