

DEC 28 2021

BUREAU OF REAL ESTATE

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9 BEFORE THE DEPARTMENT OF REAL ESTATE  
 10 STATE OF CALIFORNIA

11 \* \* \*

12 In the Matter of the Accusation Against ) No. H-42181 LA  
 13 CHRISTOPHER JARDINE THOMPSON, )  
 14 )  
 15 Respondent. ) ACCUSATION  
 16 )

17 The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the  
 18 State of California, for cause of Accusation against CHRISTOPHER JARDINE THOMPSON  
 19 (Respondent) alleges as follows:

20 1.

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

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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LICENSE HISTORY

3.

a. Respondent is presently licensed and/or has license rights under the Code, as a real estate broker with Department of Real Estate (Department) license ID 01359305.

b. Respondent's broker license was originally issued on September 1, 2004, and is scheduled to expire on August 31, 2024, unless renewed.

c. Since on or about February 23, 2016, Respondent has been the designated officer at Nation Point Financial Services, Inc. (DRE license ID 02000296). Since on or about October 3, 2020, Respondent has been the designated officer at CTC Processing, Inc. (DRE license ID 02127724).

d. Respondent currently holds a Mortgage Loan Originator (MLO) license endorsement with the Department and a Loan Originator License in the State of Arizona with the assigned National Mortgage Licensing System and Registry (NMLS) No. 146411.

STATEMENT OF FACTS

4.

Respondent is currently, or at the time of the violations described herein was, employed by and authorized to represent CTC Processing, Inc (NMLS No. 2057605) and Nation Point Financial Services, Inc. (NMLS No. 1431488). CTC Processing, Inc is a mortgage company licensed under the Department. Nation Point Financial Services, Inc. is a mortgage company licensed under the Department and the State of Arizona.

5.

Respondent violated the NMLS student Rules of Conduct (ROC) by using the services of Danny Yen, d/b/a Real Estate Educational Services (REES) to complete his NMLS-approved continuing education (CE) course, which constitutes a violation of the licensing requirements of this state and under federal law. Specifically, Respondent used and compensated REES to complete one (1) course during the year 2020 on Respondent's behalf.

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ACCUSATION

1 The course for which Respondent received course credit was completed by REES through an IP  
2 address associated with REES, rather than an IP address associated with Respondent.

3 NMLS Pre-Licensing and Continuing Education

4 6.

5 The State Regulatory Registry LLC (SRR), which owns and operates the  
6 NMLS, administers PE and CE and Uniform State Test protocols. Title V of Public Law 110-  
7 289, the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (the SAFE Act),  
8 requires that state-licensed MLOs complete PE prior to initial licensure and annual CE  
9 thereafter. (See Code section 10166.06)

10 7.

11 In order to meet PE requirements contemplated under the SAFE Act, state-  
12 licensed MLOs must complete twenty (20) hours of NMLS-approved education. Code section  
13 10166.06(a).

14 8.

15 In order to meet CE requirements contemplated under the SAFE Act, state-  
16 licensed MLOs must complete eight (8) hours of NMLS-approved education. Code section  
17 10166.10(a).

18 REES

19 9.

20 REES, NMLS course provider number 1405046, was an NMLS-approved  
21 course provider during the years 2017 to 2020.

22 10.

23 The NMLS had approved REES to offer one in-person 8-hour "DBO-SAFE Act  
24 Comprehensive: Mortgage Continuing Education" course.

25 11.

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

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12.

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

13.

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

REES Investigation

14.

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).

15.

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.

16.

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

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1 Findings of SRR and Department Investigation

2 17.

3 On or about December 15, 2020, SRR staff received a “suspicious relations”  
4 report involving suspected individuals completing online NMLS–approved education courses  
5 on behalf of another.

6 18.

7 Subsequent SRR research found at least 113 education students associated with  
8 taking online PE and/or CE courses from the IP Address in Carlsbad, California (the SRR  
9 report).

10 19.

11 Respondent was identified in the SRR report as one of the 113 students that had  
12 completed PE and/or CE from the IP Address in Carlsbad, California and who received NMLS  
13 course credit.

14 20.

15 It was determined that the IP Address in question belonged to Danny Yen,  
16 REES’ owner and operator.

17 21.

18 Respondent does not reside or work at 3643 Adams Street, Carlsbad, California,  
19 the physical address associated with the IP Address identified by the Commissioner as  
20 belonging to REES.

21 22.

22 Based upon the results of the SRR report and the IP Address information, it was  
23 determined that Respondent had used the services of REES and compensated REES to  
24 complete one (1) state-specific CE course in December 2020 in violation of the ROC.

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ACCUSATION

1 23.

2 The ROC provide in relevant part:

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

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

7 ROC 9: I will not engage in any conduct that is dishonest, fraudulent, or would  
8 adversely impact the integrity of the course(s) I am completing and the conditions for which I  
9 am seeking licensure or renewal of licensure.

10 24.

11 By using the services of another to complete his CE, Respondent violated ROC  
12 4, 5, and 9, and engaged in conduct that was dishonest, fraudulent, and that adversely impacted  
13 the integrity of the courses he completed and the conditions and qualifications for which he  
14 sought licensure or renewal of licensure.

15 Voluntary Survey

16 25.

17 On or about July 13, 2021, Respondent was provided an opportunity via a  
18 survey to disclose information about his participation in the REES online PE and CE education  
19 fraud. On or about August 23, 2021, Respondent submitted his response, under penalty of  
20 perjury, to the survey. In response to the question, "Did you receive course credit for any State-  
21 Specific Online course(s) which you did not personally take and complete?" Respondent  
22 answered "No." In response to the question, "Did REES, Danny Yen, and/or Wendy Yen take  
23 and complete any State-Specific Online course(s) on your behalf?" Respondent answered "No."

24 Financial Responsibility, Character, and General Fitness

25 26.

26 Pursuant to Code section 10166.05(c), the Commissioner must deny a MLO  
27 license endorsement if the licensee fails to meet the minimum criteria for licensure, which

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ACCUSATION

1 includes a requirement that the applicant "has demonstrated such financial responsibility,  
2 character and general fitness as to command the confidence of the community and to warrant a  
3 determination that the [MLO] will operate honestly, fairly, and efficiently within the purposes  
4 of this division."

5  
6 **27.**

7 As described in paragraphs 17 through 24 above, Respondent violated ROC 4, 5,  
8 and 9 by using the services of another, REES, to complete his CE during the year 2020.

9  
10 **28.**

11 In violating the ROC by using the services of another to complete his CE and  
12 providing a dishonest response in his survey, Respondent does not meet the minimum criteria  
13 for licensure under Code section 10166.05(c). The conduct of Respondent, as alleged above, is  
14 grounds for the suspension or revocation of Respondent's license, MLO license endorsement,  
15 and license rights pursuant to the provisions of Code sections 10166.051(b), 10177(d),  
16 10177(g) and/or 10177(j).

17 **GROUND FOR DISCIPLINARY ACTION**

18  
19 **29.**

20 **Section 10166.05 of the Code** provides in pertinent part, "Notwithstanding any  
21 other provision of law, the commissioner shall not issue a license endorsement to act as a  
22 mortgage loan originator to an applicant unless the commissioner makes all of the following  
23 findings:

24 ...

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

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1 30.

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

4 ...

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

10 31.

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

15 ...

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

20 ...

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

23 ...

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

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1 COSTS

2 (INVESTIGATION AND ENFORCEMENT COSTS)

3 33.

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

9 WHEREFORE, Complainant prays that a hearing be conducted on the allegations of  
10 this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary  
11 action against all the licenses, MLO endorsements, and/or license rights of Respondent  
12 CHRISTOPHER JARDINE THOMPSON under the Real Estate Law, for the costs of  
13 investigation and enforcement as permitted by law and for such other and further relief as may  
14 be proper under other applicable provisions of law.

15  
16 Dated at San Diego, California this 27 day of December, 2021.

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18  
19 *Veronica Kilpatrick*

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21 Veronica Kilpatrick  
22 Supervising Special Investigator

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24  
25 cc: CHRISTOPHER JARDINE THOMPSON  
26 Veronica Kilpatrick  
27 Sacto.