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FILED

JUN 09 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-42321 LA
13)
14 LAC LONG DINH TRAN,)
15 Respondent.) ACCUSATION
16)

17 The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the
18 State of California, for cause of Accusation against LAC LONG DINH TRAN (Respondent)
19 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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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 00851606.

5 b. Respondent's broker license was originally issued on May 16, 1994, and is
6 scheduled to expire on May 23, 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. 342730. Respondent is currently authorized to represent LAc Long Dinh
10 Tran with NMLS No. 366390.

11 STATEMENT OF FACTS

12 4.

13 Respondent is currently, or at the time of the violations described herein was,
14 employed by and authorized to represent LAc Long Dinh Tran, a mortgage company.

15 5.

16 Respondent violated the NMLS student Rules of Conduct (ROC) by using the
17 services of Danny Yen, dba Real Estate Educational Services (REES) to complete his NMLS-
18 approved continuing education (CE) courses, which constitutes a violation of the licensing
19 requirements of this state and under federal law. Specifically, Respondent used and
20 compensated REES to obtain credit through an in-person fraud scheme. Under the in-person
21 fraud scheme, Respondent used REES to annually report completion of an in-person course for
22 four years from 2017 to 2020. REES did not teach the in-person course and Respondent never
23 attended the in-person course nor completed the required exam or course work to receive
24 course credit.

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ACCUSATION

1 NMLS Pre-Licensing and Continuing Education

2 6.

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

8 7.

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

12 8.

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

16 REES

17 9.

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

20 10.

21 The NMLS had approved REES to offer one in-person 8-hour "DBO-SAFE Act
22 Comprehensive: Mortgage Continuing Education" course in a classroom format located at
23 15751 Brookhurst Street, Suite 230, Westminster, California (Westminster address).

24 11.

25 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.

REES Investigation

13.

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).

14.

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.

15.

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.

Findings of SRR and Department Investigation

16.

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

17.

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

///

18.

Respondent was identified in NMLS records as receiving course credit for REES' 8-hour in-person CE course in 2017, 2018, 2019, and 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 REES to obtain four years of course credits from 2017 to 2020 in violation of the ROC under the in-person fraud scheme.

19.

The ROC provide in relevant part:

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

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

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.

20.

By using the services of another to complete his CE and receiving fraudulent course credits through a non-existent course, Respondent violated ROC 4, 5, 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.

Voluntary Survey

21.

On or about July 13, 2021, Respondent was provided an opportunity via a survey to disclose information about her participation in the REES online PE and CE education

1 fraud. On or about July 16, 2021, Respondent responded to the survey request. In response to
2 the survey, Respondent stated, in part, that he attended in person each CA-DBO SAFE
3 Comprehensive course in which he enrolled. Respondent indicated that the course was held at
4 the Westminster address.

5 Financial Responsibility, Character, and General Fitness

6 22.

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

13 23.

14 As described in paragraphs 16 through 21 above, Respondent violated ROC 4, 5,
15 and 9 by using the services of another, REES, to falsely obtain course credits through an in-
16 person course that Respondent never attended for the years 2017 to 2020.

17 24.

18 In violating the ROC by using the services of another to falsely obtain course
19 credits, Respondent does not meet the minimum criteria for licensure under Code section
20 10166.05(c). The conduct of Respondent, as alleged above, is grounds for the suspension or
21 revocation of Respondent's license, MLO license endorsement, and license rights pursuant to
22 the provisions of Code sections 10166.051(a), 10166.051(b), 10177(d), 10177(g) and/or
23 10177(j).

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(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.

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

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

(INVESTIGATION AND ENFORCEMENT COSTS)

Section 10106 of the Code, provides, in pertinent part, that in any order issued in resolution of a disciplinary proceeding before the Department, 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 investigation and enforcement of the case.

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

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8 Dated at San Diego, California this 9 day of June, 2022.

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11 *Veronica Kilpatrick*

12 _____
13 Veronica Kilpatrick
14 Supervising Special Investigator
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25 cc: LAC LONG DINH TRAN
26 Veronica Kilpatrick
27 Sacto.

ACCUSATION