

**AUG 11 2022**

**DEPT. OF REAL ESTATE**

By \_\_\_\_\_

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BEFORE THE DEPARTMENT OF REAL ESTATE  
 STATE OF CALIFORNIA

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<p>In the Matter of the Accusation of</p> <p style="text-align: center;">KEVIN RENE ESTRADA,</p> <p style="text-align: center;">Respondent.</p>	<p>No. H-42413-LA</p> <p style="text-align: center;"><u>ACCUSATION</u></p>
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The Complainant, Veronica Kilpatrick, a Supervising Special Investigator for the Department of Real Estate ("Department" or "DRE") of the State of California, for cause of Accusation against KEVIN RENE ESTRADA ("ESTRADA" or "Respondent"), is informed and alleges as follows:

1. The Complainant, Veronica Kilpatrick, acting in her official capacity as a Supervising Special Investigator, makes this Accusation against Respondent.
2. All references to the "Code" are to the California Business and Professions Code and all references to "Regulations" are to Title 10, Chapter 6, California Code of Regulations.

**LICENSE HISTORY**

3. Respondent ESTRADA is presently licensed and/or has license rights under the Code, as a real estate salesperson ("RES") with Department license ID 02008674.
4. Respondent's RES license was originally issued on August 8, 2016, and is scheduled to expire on August 7, 2024, unless renewed. According to Department records to date, ESTRADA has been employed by real estate corporation ("REC") Sigler Mortgage, License ID

1 02024033, from February 8, 2021 through the present. ESTRADA was previously employed by  
2 REC M Power Mortgage Inc., License ID 01846362, from November 17, 2018 to February 7,  
3 2021.

4 5. Respondent currently holds a Mortgage Loan Originator (“MLO”) license  
5 endorsement with the Department with National Mortgage Licensing System and Registry  
6 (“NMLS”) No. 1738918. Respondent is currently authorized to represent Sigler Mortgage with  
7 NMLS No. 2087519, and has been from February 13, 2021 through the present. Respondent was  
8 previously authorized to represent M Power Mortgage Inc., with NMLS No. 347814, from  
9 November 17, 2018 to February 12, 2021.

#### 10 STATEMENT OF FACTS

11 6. Respondent violated the NMLS student Rules of Conduct (“ROC”) by using the  
12 services of Danny Yen dba Real Estate Educational Services (“REES”) to complete his NMLS-  
13 approved continuing education (“CE”) courses, which constitutes a violation of the licensing  
14 requirements of this state and under federal law. Specifically, Respondent used and compensated  
15 REES to obtain credit through an in-person fraud scheme. Under the in-person fraud scheme,  
16 Respondent used REES to annually report completion of an in-person course for two years from  
17 2019 to 2020. REES did not teach the in-person course and Respondent never attended the in-  
18 person course nor completed the required exam or course work to receive course credit.

#### 19 NMLS Pre-Licensing and Continuing Education

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

25 8. In order to meet PE requirements contemplated under the SAFE Act, state-licensed  
26 MLOs must complete 20 hours of NMLS–approved education. (Code section 10166.06(a).)

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

1 REES

2 10. REES, with NMLS course provider number 1405046, was an NMLS-approved  
3 course provider during the years 2017 to 2020.

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

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

8 13. During all times relevant herein, REES had its primary place of business located at  
9 3643 Adams Street, Carlsbad, California.

10 REES Investigation

11 14. The Mortgage Testing and Education Board (“MTEB”), which was created by  
12 SRR, has approved “Administrative Action Procedures for S.A.F.E. Testing and Education  
13 Requirements” (“AAP”), which extends administrative authority to the MTEB to investigate  
14 alleged violations of the NMLS student Rules of Conduct (“ROC”).

15 15. The AAP also extends administrative authority to the MTEB and SRR to  
16 investigate alleged violations of the NMLS Standards of Conduct (“SOC”), which apply to all  
17 NMLS-Approved course providers.

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

22 Findings of SRR and Department Investigation

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

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

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1           19.     Respondent was identified in NMLS records as receiving course credit for REES'  
2 8-hour in-person CE course in 2019 and 2020. It was determined that none of these in-person  
3 courses ever took place and Respondent never attended an in-person course corresponding to the  
4 course credits Respondent received. Consequently, Respondent never took a knowledge  
5 examination required for course credit. It was determined that Respondent had used REES to  
6 obtain two years of course credits from 2019 to 2020 in violation of the ROC under the in-person  
7 fraud scheme.

8           20.     The ROC provide in relevant part:

9                   ROC 3: I understand that the SAFE Act and state laws require me to spend  
10 a specific amount of time in specific subject areas. Accordingly, I will not attempt  
11 to circumvent the requirements of any NMLS approved course.

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

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

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

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

26                                   Financial Responsibility, Character, and General Fitness

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

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

4 23. As described in paragraphs 17 through 21 above, Respondent violated ROC 3, 5, 8  
5 and 9 by using the services of another, REES, to falsely obtain course credits through an in-person  
6 course that Respondent never attended for the years 2019 to 2020.

7 24. In violating the ROC by using the services of another to falsely obtain course  
8 credits, Respondent does not meet the minimum criteria for licensure under **Code section**  
9 **10166.05(c)**. The conduct of Respondent, as alleged above, is grounds for the suspension or  
10 revocation of Respondent’s license, MLO license endorsement, and license rights pursuant to the  
11 provisions of **Code sections 10166.051(a), 10166.051(b), 10177(d), 10177(g) and/or 10177(j)**.

12 **GROUND FOR DISCIPLINARY ACTION**

13 25. **Code Section 10166.05** provides in pertinent part:

14 Notwithstanding any other provision of law, the commissioner shall not  
15 issue a license endorsement to act as a mortgage loan originator to an applicant  
16 unless the commissioner makes all of the following findings:

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

21 26. **Code Section 10166.051** provides in pertinent part:

22 [T]he commissioner may do one or more of the following, after appropriate notice  
23 and opportunity for hearing:

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

27 (b) Deny, suspend, revoke, condition, or decline to renew a mortgage loan  
28 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.

29 27. **Code section 10177** provides in pertinent part:

30 The Commissioner may suspend or revoke the license of a real estate  
31 licensee, delay the renewal of a license of a real estate licensee, or deny the  
32 issuance of a license to an applicant, who has done any of the following . . . :

33 . . . .

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

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

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

11 **COSTS**

12 (COSTS OF INVESTIGATION AND ENFORCEMENT)

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

17 WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this  
18 Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action  
19 against all the licenses and license rights of Respondent KEVIN RENE ESTRADA under the Real  
20 Estate Law, for the costs of investigation and enforcement as permitted by law, and for such other  
21 and further relief as may be proper under other applicable provisions of law.

22 Dated at San Diego, California this 10 day of August, 2022.

23 *Veronica Kilpatrick*

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25 Veronica Kilpatrick  
26 Supervising Special Investigator

27 cc: KEVIN RENE ESTRADA  
28 Sigler Mortgage  
Veronica Kilpatrick  
Sacto.