

FILED

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DEPT. OF REAL ESTATE
By 

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8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

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11 In the Matter of the Accusation of) DRE No. H-42439 LA
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ALVARO SEGUNDO MORA,
Respondent.

ACCUSATION

16 The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the
17 State of California, for cause of Accusation against ALVARO SEGUNDO MORA
18 ("Respondent") 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, unless otherwise specified.

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RESPONDENT'S 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 number 01093656.

Respondent's real estate license history is as follows:

Dates	License status
June 1, 2022 to present	Broker license
April 21, 2022 to May 31, 2022	Suspension per AB923
October 25, 2020 to April 20, 2022	Broker license
July 19, 2018 to October 5, 2018	Suspension per AB923
October 25, 2000 to July 18, 2018	Broker license.
October 19, 1994 to October 24, 2000	Salesperson license
April 20, 1992 to June 18, 1992	Conditional suspension
October 19, 1990 to October 18, 1994	Salesperson license.

Respondent has had the fictitious business names of "Home Group Realty" since July 5, 2016 and "Reliable Mortgage" since March 19, 2021.

b. Respondent currently holds a Mortgage Loan Originator ("MLO") license endorsement with the Department with the assigned National Mortgage Licensing System and Registry ("NMLS") number 270822 ("MU4" individual), which was originally issued on or about December 29, 2010. Respondent also holds an MLO license endorsement with the Department with the assigned NMLS number 829272 ("MU1" company), which was originally issued on or about November 14, 2011.

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Respondent as NMLS number 270822 is currently, or at the time of the violations described herein, was employed by and authorized to represent Respondent as NMLS number 829272.

Respondent violated the NMLS student Rules of Conduct (“ROC”) by using the services of Danny Yen dba Real Estate Educational Services (“REES”) to complete his NMLS-approved continuing education (“CE”) courses, which constitutes a violation of the licensing requirements of this state and under federal law. Specifically, Respondent used and compensated REES to obtain credit through an in-person fraud scheme. Under the in-person fraud scheme, Respondent used REES to annually report completion of an in-person course for two years, 2018 and 2020. However, REES did not teach the in-person courses, and Respondent neither attended any in-person course nor completed the required exam or course work to receive course credit.

16

17

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

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

1 8.

2 In order to meet CE requirements contemplated under the SAFE Act, state-
3 licensed MLOs must complete eight (8) hours of NMLS-approved education. (Code section
4 10166.10(a).)

5
6 REES

7 9.

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

10 10.

11 The NMLS had approved REES to offer one in-person 8-hour “DBO-SAFE Act
12 Comprehensive: Mortgage Continuing Education” course in a classroom format located at
13 15751 Brookhurst Street, Suite 230, Westminster, California (“Westminster address”).

14 11.

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

16 12.

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

19
20 REES Investigation

21 13.

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

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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 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 2018 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 course credits in 2018 and 2020 in violation of the ROC under the in-person fraud scheme.

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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 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.

20.

By using the services of another to complete her 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 and Interview

21.

On or about August 11, 2021, Respondent was provided an opportunity via a survey to disclose information about his participation in the REES online PE and CE education fraud. Respondent failed to respond. However, in an interview with Department Special Investigator on or about May 19, 2022, Respondent stated he paid about \$200 to REES for each class in 2018 and 2020, did not attend those classes in person, and received credit for the in-person classes.

1 Financial Responsibility, Character, and General Fitness

2 22.

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

9 23.

10 As described in paragraphs 16 through 21 above, Respondent violated ROC 4, 5,
11 and 9 by using the services of another, REES, to falsely obtain course credits through an in-
12 person course that Respondent never attended for the years 2018 and 2020.

13 24.

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

20
21 GROUND FOR DISCIPLINARY ACTION

22 25.

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

26 ...

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

5 26.

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

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

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

16 ///

17 27.

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

22 ...

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

27 ...

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
7 COSTS

8 (INVESTIGATION AND ENFORCEMENT COSTS)

9 28.

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

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

21 Dated at San Diego, California: September 12, 2022.

22
23 Veronica Kilpatrick

24 Veronica Kilpatrick
25 Supervising Special Investigator

26 cc: ALVARO SEGUNDO MORA
27 Veronica Kilpatrick
Sacto.