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FILED
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DEPT. OF REAL ESTATE
By 

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation Against) DRE No. H-42457 LA
)
)
CHRISTINE LIN HOANG,) **ACCUSATION**
)
Respondent.)
)

The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the
State of California, for cause of Accusation against CHRISTINE LIN HOANG (Respondent)
alleges as follows:

1.

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

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

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 01307873.

5 b. Respondent was originally licensed by the Department as a real estate
6 salesperson on April 3, 2001. Respondent's broker license was originally issued on January 14,
7 2019, and is scheduled to expire on January 13, 2023, unless renewed.

8 c. Respondent currently holds a Mortgage Loan Originator (MLO) license
9 endorsement with the Department with the assigned National Mortgage Licensing System and
10 Registry (NMLS) No. 1940426. Respondent was approved-inactive and authorized to conduct
11 business since August 19, 2020, and surrendered her endorsement as of November 30, 2021.

12 STATEMENT OF FACTS

13 4.

14 Respondent is currently, or at the time of the violations described herein was.
15 employed by and licensed as the designated officer of RCJ Investments, Inc. (DRE license ID
16 02096348), from February 25, 2020 until February 24, 2024.

17 5.

18 Respondent violated the NMLS student Rules of Conduct (ROC) by using the
19 services of Danny Yen, dba Real Estate Educational Services (REES) to complete a NMLS-
20 approved continuing education (CE) course, which constitutes a violation of the licensing
21 requirements of this state and under federal law. Specifically, Respondent used and
22 compensated REES to obtain credit through an in-person fraud scheme. Under the in-person
23 fraud scheme, Respondent used REES to annually report completion of an in-person course for
24 the year 2020. REES did not teach the in-person course and Respondent never attended the in-
25 person course nor completed the required exam or course work to receive 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-licensure (PE) and CE and Uniform State Test protocols. Title V of
5 Public Law 110-289, the Secure and Fair Enforcement for Mortgage Licensing Act of 2008
6 (the SAFE Act), requires that state-licensed MLOs complete PE prior to initial licensure and
7 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, 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.

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 an in-person fraud scheme.

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18.

Respondent was identified in NMLS records as receiving course credit for REES' 8-hour in-person CE course in 2020. It was determined that this in-person courses never 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 one year of course credit for 2020 in violation of the ROC under the in-person fraud scheme.

19.

The ROC provide in relevant part:

ROC 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.

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 his CE and receiving fraudulent course credits through a non-existent course, Respondent violated ROC 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.

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1 revocation of Respondent's license, MLO license endorsement, and license rights pursuant to
2 the provisions of Code sections 10166.051(a), 10166.051(b), 10177(d), 10177(g) and/or
3 10177(j).

4 **GROUNDS FOR DISCIPLINARY ACTION**

5 25.

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

10 ...
11 (c) The applicant has demonstrated such financial responsibility, character, and
12 general fitness as to command the confidence of the community and warrant a determination
13 that the mortgage loan originator will operate honestly, fairly, and efficiently within the
14 purposes of this article."

15 26.

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

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

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

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27.

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

...

(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.

COSTS

(INVESTIGATION AND ENFORCEMENT COSTS)

28.

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
2 allegations of this Accusation and that upon proof thereof, a decision be rendered imposing
3 disciplinary action against the licenses, MLO endorsement, and/or license rights of Respondent
4 CHRISTINE LIN HOANG under the Real Estate Law, for the costs 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 this 26 day of October, 2022.

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10
11 Veronica Kilpatrick

12 Veronica Kilpatrick
13 Supervising Special Investigator
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18 cc: Christine Lin Hoang
19 Veronica Kilpatrick
20 Sacto.
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ACCUSATION