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FILED
JUN 13 2023
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-42607 LA
13)
14 ISAIAH RODRIGUEZ,) **ACCUSATION**
15 Respondent.)

16 The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the
17 State of California, for cause of Accusation against ISAIAH RODRIGUEZ (Respondent)
18 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.

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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 01748667.

5 b. Respondent was originally licensed by the Department as a real estate
6 salesperson on July 26, 2007. Respondent's broker license was originally issued on May 12,
7 2015, and expired on May 11, 2023.

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. 319703. Respondent also currently holds a Company MLO license
11 endorsement with assigned NMLS No. 1387300.

12 STATEMENT OF FACTS

13 4.

14 Respondent is currently, or at the time of the violations described herein had
15 affiliated with his license, two (2) DBAs, for TRG Estates (active as of September 15, 2017)
16 and TRG Mortgage (active as of May 12, 2015), and two (2) real estate salespersons, Cristina
17 Avila (DRE license ID 01965488) and Kelcie Elizabeth Whiting (DRE license ID 02084255).

18 5.

19 Respondent violated the NMLS student Rules of Conduct (ROC) by using the
20 services of Danny Yen, dba Real Estate Educational Services (REES) to complete his NMLS-
21 approved pre-licensure (PE) and/or continuing education (CE) courses, which constitutes a
22 violation of the licensing requirements of this state and under federal law. Specifically,
23 Respondent used and compensated REES to obtain credit through both an online fraud scheme
24 and an in-person fraud scheme. In the online fraud scheme, Respondent had REES complete
25 online courses during the years 2019 and 2020 on Respondent's behalf. The courses for which
26 Respondent received course credit were completed by REES through an IP address associated
27 with REES. Additionally, under the in-person fraud scheme, Respondent used REES to

1 annually report completion of an in-person course for four years from 2017 to 2020. REES did
2 not teach the in-person course and Respondent never attended the in-person course nor
3 completed the required exam or course work to receive course credit.

4 NMLS Pre-Licensing and Continuing Education

5 6.

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

11 7.

12 In order to meet PE requirements contemplated under the SAFE Act, state-
13 licensed MLOs must complete twenty (20) hours of NMLS-approved education. Code section
14 10166.06(a).

15 8.

16 In order to meet CE requirements contemplated under the SAFE Act, state-
17 licensed MLOs must complete eight (8) hours of NMLS-approved education. Code section
18 10166.10(a).

19 REES

20 9.

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

23 10.

24 The NMLS had approved REES to offer one in-person 8-hour “DBO-SAFE Act
25 Comprehensive: Mortgage Continuing Education” course in a classroom format located at
26 15751 Brookhurst Street, Suite 230, Westminster, California.

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11.

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

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 were informed of suspected
4 individuals completing online NMLS-approved education courses on behalf of another.

5 18.

6 Additional investigation revealed evidence that at least 113 education students
7 were found to be associated with taking online PE and/or CE courses from the IP Address in
8 Carlsbad, California (the SRR report).

9 19.

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

13 20.

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

16 21.

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

20 22.

21 Based upon the results of the SRR report and the IP Address information, it was
22 determined that Respondent had used the services of REES and compensated REES to
23 complete one course in 2019-2020 in violation of the ROC.

24 23.

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

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24.

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 never took place and Respondent never attended any in-person courses 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 credit from 2017 to 2020 in violation of the ROC under the in-person fraud scheme.

25.

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.

26.

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.

1 Voluntary Survey

2 27.

3 In or about July 2021, Respondent was provided an opportunity via a survey to
4 disclose information about his participation in the REES online PE and 8-hour in-person CE
5 education fraud. On or about July 29, 2021, Respondent stated that he was familiar with REES
6 and Denny Yen (since 2017) and that he did not attend in person each CA-DBO SAFE
7 Comprehensive course in which he enrolled, because “I was instructed to complete and log the
8 hours of my education and to complete the final exam for grading.” Respondent indicated on
9 his survey that he received course credit for the CA-DBO-SAFE Comprehensive courses that
10 he did not intend in person, and that “To my knowledge, this was one of the options by which I
11 could complete my continuing education...I was provided enrollment forms for each course,
12 paid the fees, was provided the study materials, and after passing the exams was provided
13 completion certificates. We did not have communication outside of these conversations as far
14 as I can remember.” Respondent also stated that he did not take any online courses “and there
15 were not any online courses offered to me.”

16 Mortgage Loan Originator License Revocation

17 28.

18 On or about January 25, 2022, the Oregon Department of Consumer and
19 Business Services, Division of Financial Regulation, in Case No. M-21-0066 (In the Matter of
20 Isaiah Rodriguez, NMLS #319703), ordered Respondent to desist and refrain from violating the
21 Oregon Mortgage Lender Law and the Oregon Loan Origination Law and revoked
22 Respondent’s Oregon loan originator license.

23 Financial Responsibility, Character, and General Fitness

24 29.

25 Pursuant to Code section 10166.05(c), the Commissioner must deny a MLO
26 license endorsement if the licensee fails to meet the minimum criteria for licensure, which
27 includes a requirement that the applicant “has demonstrated such financial responsibility,

1 (a) The applicant has never had a mortgage loan originator license revoked in
2 any governmental jurisdiction, except that a subsequent formal vacation of a revocation shall
3 not be deemed a revocation.

4 ...

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

9 34.

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

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

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

20 35.

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

25 ...

26 (d) Willfully disregarded or violated the Real Estate Law (Part 1 (commencing
27 with Section 10000)) or Chapter 1 (commencing with Section 11000) of Part 2 or the rules and

1 regulations of the commissioner for the administration and enforcement of the Real Estate Law
2 and Chapter 1 (commencing with Section 11000) of Part 2.

3 ...

4 (f) Acted or conducted himself or herself in a manner that would have
5 warranted the denial of his or her application for a real estate license, or either had a license
6 denied or had a license issued by another agency of this state, another state, or the federal
7 government revoked, surrendered, or suspended for acts that, if done by a real estate licensee,
8 would be grounds for the suspension or revocation of a California real estate license, if the
9 action of denial, revocation, surrender, or suspension by the other agency or entity was taken
10 only after giving the licensee or applicant fair notice of the charges, an opportunity for a
11 hearing, and other due process protections comparable to the Administrative Procedure Act
12 (Chapter 3.5 (commencing with Section 11340), Chapter 4 (commencing with Section 11370),
13 and Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the
14 Government Code), and only upon an express finding of a violation of law by the agency or
15 entity.

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

18 ...

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

21 COSTS

22 (INVESTIGATION AND ENFORCEMENT COSTS)


23 36.

24 Section 10106 of the Code, provides, in pertinent part, that in any order issued in
25 resolution of a disciplinary proceeding before the Department, the Commissioner may request
26 the administrative law judge to direct a licensee found to have committed a violation of this
27

1 part to pay a sum not to exceed the reasonable costs of investigation and enforcement of the
2 case.

3 WHEREFORE, Complainant prays that a hearing be conducted on the
4 allegations of this Accusation and that upon proof thereof, a decision be rendered imposing
5 disciplinary action against the licenses, MLO endorsement, and/or license rights of Respondent
6 ISAI AH RODRIGUEZ under the Real Estate Law, for the costs of investigation and
7 enforcement as permitted by law and for such other and further relief as may be proper under
8 other applicable provisions of law.

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10 Dated at San Diego, California this 8th day of June, 2023.

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14 _____
15 Veronica Kilpatrick
16 Supervising Special Investigator

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19
20 cc: Isaiah Rodriguez
21 Veronica Kilpatrick
22 Sacto.