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**FILED**

DEC 30 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-05706 SD

13  
14 ANTONIO AGUILAR,

FIRST AMENDED ACCUSATION

15 Respondent.

16  
17 **This First Amended Accusation amends the Accusation filed on November 15,**  
18 **2022.** The Complainant, Veronica Kilpatrick, a Supervising Special Investigator Department of  
19 Real Estate (“Department”) of the State of California, for cause of Accusation against  
20 ANTONIO AGUILAR (“Respondent”) alleges as follows:

21 1. The Complainant, Veronica Kilpatrick, a Supervising Special Investigator for  
22 the Department, makes this Accusation in her official capacity.

23 2. All references to the “Code” are to the Real Estate Law, Part 1 of Division 4 of  
24 the California Business and Professions Code.

25 LICENSE HISTORY

26 3. Respondent is presently licensed and/or has license rights under the Code, as a  
27 real estate broker with Department, License ID 01423507.

1 4. Respondent’s broker license was originally issued on October 28, 2009, and is  
2 scheduled to expire on October 27, 2025, unless renewed.

3 5. Respondent currently holds a Mortgage Loan Originator (“MLO”) license  
4 endorsement with the Department with the assigned National Mortgage Licensing System and  
5 Registry (“NMLS”) No. 409619 **and also holds an approved company MLO license**  
6 **endorsement as a sole proprietor, NMLS #401164.** Respondent is the designated officer for  
7 real estate corporation Executive Realty Services, Inc., License ID 01526757. Respondent is  
8 also authorized to represent the following companies: Executive Realty Services, Inc. with a  
9 company MLO license endorsement, NMLS No. 2257871; MK Lending Corp., with a company  
10 MLO license endorsement, NMLS No. 310447; Bay-Valley Mortgage Group, with a company  
11 MLO license endorsement, NMLS No. 192103; and Brighten Lending, with a company MLO  
12 license endorsement, NMLS No. 39160.

13 STATEMENT OF FACTS

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

23 NMLS Pre-Licensing and Continuing Education

24 7. The State Regulatory Registry LLC (SRR), which owns and operates the  
25 NMLS, administers pre-licensing education (PE) and CE and Uniform State Test protocols.  
26 Title V of Public Law 110-289, the Secure and Fair Enforcement for Mortgage Licensing Act  
27

1 of 2008 (the SAFE Act), requires that state-licensed MLOs complete PE prior to initial  
2 licensure and annual CE thereafter. (See Code section 10166.06.)

3 8. In order to meet PE requirements contemplated under the SAFE Act, state-  
4 licensed MLOs must complete twenty (20) hours of NMLS-approved education. (Code section  
5 10166.06(a).)

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

9 REES

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

12 11. The NMLS had approved REES to offer one in-person 8-hour “DBO-SAFE Act  
13 Comprehensive: Mortgage Continuing Education” course in a classroom format located at  
14 15751 Brookhurst Street, Suite 230, Westminster, California (Westminster address).

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

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

18 REES Investigation

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

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

26 16. In late 2020, SRR obtained information concerning suspicious activity and that  
27 that information identified a possible MLO education cheating scheme coordinated by and

1 implemented through REES and its owners and operators, including Danny Yen. Based on that  
2 information, and pursuant to the AAP, SRR initiated an investigation into the matter.

3 Findings of SRR and Department Investigation

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

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

9 19. Respondent was identified in NMLS records as receiving course credit for  
10 REES' 8-hour in-person CE course in 2017, 2018, 2019, and 2020. It was determined that none  
11 of these in-person courses ever took place and Respondent never attended an in-person course  
12 corresponding to the course credits Respondent received. Consequently, Respondent never took  
13 a knowledge examination required for course credit. It was determined that Respondent had  
14 used REES to obtain four years of course credits from 2017 to 2020 in violation of the ROC  
15 under the in-person fraud scheme.

16 20. The ROC provide in relevant part:

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

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

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

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

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

6                                   Financial Responsibility, Character, and General Fitness

7           22. 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. As described in paragraphs 17 through 21 above, Respondent violated ROC 3, 5,  
14 8 and 9 by using the services of another, REES, to falsely obtain course credits through an in-  
15 person course that Respondent never attended for the years 2017 to 2020.

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

22                                   GROUNDS FOR DISCIPLINARY ACTION

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

27                                   ...

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  
3 determination that the mortgage loan originator will operate honestly, fairly, and  
4 efficiently within the purposes of this article.”

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

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

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

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

19 ...  
20 (d) Willfully disregarded or violated the Real Estate Law (Part 1 (commencing  
21 with Section 10000)) or Chapter 1 (commencing with Section 11000) of Part 2 or the  
22 rules and regulations of the commissioner for the administration and enforcement of the  
23 Real Estate Law and Chapter 1 (commencing with Section 11000) of Part 2.

24 ...  
25 (g) Demonstrated negligence or incompetence in performing an act for which  
26 the officer, director, or person is required to hold a license.

27 ...

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

3 COSTS

4 (INVESTIGATION AND ENFORCEMENT COSTS)

5 28. Section 10106 of the Code, provides, in pertinent part, that in any order issued in  
6 resolution of a disciplinary proceeding before the Department, the Commissioner may request  
7 the administrative law judge to direct a licensee found to have committed a violation of this  
8 part to pay a sum not to exceed the reasonable costs of investigation and enforcement of the  
9 case.

10 WHEREFORE, Complainant prays that a hearing be conducted on the allegations of  
11 this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary  
12 action against the license(s), MLO endorsements, and/or license rights of Respondent  
13 ANTONIO AGUILAR under the Real Estate Law, for the costs of investigation and  
14 enforcement as permitted by law and for such other and further relief as may be proper under  
15 other applicable provisions of law.

16  
17 Dated this day of Dec 29, 2022 at San Diego, California.

18  
19 *Veronica Kilpatrick*

20 \_\_\_\_\_  
21 Veronica Kilpatrick  
22 Supervising Special Investigator

23  
24 cc: Antonio Aguilar  
25 Veronica Kilpatrick  
26 Sacto.  
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