STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION

| | |
|---|---|
| In the Matter of:<br>Isaiah Rodriguez,<br>NMLS# 319703<br><br>Respondent. | M-21-0066<br>FINAL ORDER TO CEASE AND DESIST AND ORDER REVOKING MORTGAGE LOAN ORIGINATOR LICENSE ENTERED BY DEFAULT |

On December 9, 2021, the Director of the Department of Consumer and Business Services for the State of Oregon ("Director"), acting by and through the Division of Financial Regulation ("Division), under Oregon Revised Statutes ("ORS") 86A.100 et seq. and Oregon Administrative Rules ("OAR") 441-850-0005 through 441-885-0010 (collectively, the "Oregon Mortgage Lender Law") and ORS 86A.200 et seq. (the "Oregon Loan Originator Law"), issued Administrative Order No. M-21-0066: Order to Cease and Desist, Proposed Order Revoking Mortgage Loan Originator License, and Notice of Right to a Hearing ("the Order") to Isaiah Rodriguez ("Rodriguez" or "Respondent").

On November 9, 2021, the Director mailed a true copy of the Order by regular, first-class mail and by certified mail, postage prepaid, to Respondent at 11660 Overland Drive Fontana, California 92821. An unsigned green card was returned on December 21, 2021. Tracking information shows that the certified mailing was "Unclaimed/Being Returned to Sender" as of January 4, 2022. The Order sent by regular mail has not been returned.

The Order offered Respondent an opportunity for a hearing, if requested in writing within 20 days. The Order further informed Respondent that if a hearing was not conducted because the party did not timely request a hearing or otherwise defaulted, then the designated portion of the Division's file would automatically become part of the contested case record to prove a *prima*

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

*facie* case. Respondent has not made a written request for a contested hearing, and the time to do so has expired.

After considering the relevant portions of the Division's file in this matter, the Director finds that the record proves a *prima facie* case.

Now, therefore, the Director makes the following Findings of Fact and Conclusions of Law and issues the following Orders:

The Director FINDS that:

JURISDICTION

1. Isaiah Rodriguez, a sole proprietorship, has been licensed as an Oregon mortgage banker/broker since December 9, 2019.

2. Respondent received an Oregon mortgage loan originator ("MLO") license on December 11, 2019 (NMLS# 319703), which is sponsored by his sole proprietorship.

3. Under the Oregon Loan Originator Law, the Director brings this action to revoke Respondent's MLO license because Respondent violated the Nationwide Mortgage Licensing System and Registry ("NMLS") student Rules of Conduct ("ROC") by using the services of Danny Yen, d/b/a Real Estate Educational Services ("REES") to complete the NMLS-approved online pre-licensure ("PE") and continuing education ("CE") courses, which in turn constitutes a violation of the licensing requirements of this state and under federal law. Specifically, Respondent used and compensated REES to complete classes during 2019 and 2020 on Respondent's behalf. All of the courses for which Respondent received course credit were completed by REES through an IP address associated with REES, rather than an IP address associated with Respondent.

FINDINGS OF FACT

*NMLS Pre-Licensing and Continuing Education*

4. The State Regulatory Registry LLC (SRR), which owns and operates the NMLS,

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

administers PE and 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.

5. In order to meet PE requirements contemplated under the SAFE Act, state-licensed MLOs must complete 20 hours of NMLS–approved education under ORS 86A.215.

6. In order to meet CE requirements contemplated under the SAFE Act, state-licensed MLOs must complete eight hours of NMLS–approved education under ORS 86A.221.

*REES*

7. REES was an NMLS–approved course provider during the years 2017 to 2020 (NMLS# 1405046).

8. The NMLS had approved REES to offer one in-person 8-hour "DBO-SAFE Act Comprehensive: Mortgage Continuing Education" course.

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

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

11. 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*

12. 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").

13. The AAP also extends administrative authority to the MTEB and SRR to investigate

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

alleged violations of the NMLS Standards of Conduct ("SOC"), which apply to all NMLS–Approved course providers.

14. In late 2020, SRR obtained information concerning suspicious activity, and 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 Investigation*

15. On or about December 15, 2020, SRR staff received a "suspicious relations" report involving suspected individuals completing online NMLS–approved education courses on behalf of another.

16. Subsequent SRR research found at least 113 education students associated with taking online PE and CE courses from the IP Address in Carlsbad, California (the "SRR report").

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

18. The Director has determined that the IP Address in question belonged to Danny Yen, REES' owner and operator.

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

20. Based upon the results of the SRR report and the IP Address information, it was determined that Respondent had used the services of REES and compensated REES to complete PE and CE classes during the years 2019 and 2020 in violation of the ROC.

21. On or about November 20, 2019, REES completed Oregon PE on behalf of Respondent.

22. On or about September 19, 2020, REES completed Oregon CE on behalf of Respondent.

23. In 2019 and 2020, REES also completed Washington and Idaho CE classes on behalf of

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

Respondent.

24. 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 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.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

25. By using the services of another to complete PE and CE on his behalf, Respondent violated ROC 4, 5, and 9, and engaged in conduct that was dishonest, fraudulent, and that adversely impacted the integrity of the courses he completed and the conditions and qualifications for which he sought licensure or renewal of licensure.

26. By using REES' services to complete PE and CE on his behalf, Respondent has failed to demonstrate financial responsibility sufficient to command the confidence of the community and warrant the determination that he will operate honestly, fairly and efficiently within the purposes of ORS 86A.200 to 86A.239, in violation of ORS 86A.212(1)(d). This violation constitutes grounds to revoke Respondent's MLO license under ORS 86A.224(1)(a).

27. By using REES' services to complete Oregon PE and CE on his behalf, Respondent failed to complete the education requirement set forth in ORS 86A.215, in violation of ORS 86A.212(e). This violation constitutes grounds to revoke Respondent's MLO license under ORS 86A.224(1)(a).

28. By using REES' services to complete PE and CE on his behalf in violation of the ROC, Respondent engaged in dishonest, fraudulent or illegal practices or conduct in a business or

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

profession or engaged in unfair or unethical practices or conduct in connection with the mortgage business in violation of ORS 86A.183(1)(a).

ORDER

NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

29. The Director, pursuant to ORS 86A.127(4) and ORS 86A.224(2)(a), hereby ORDERS Respondent to cease and desist from violating the Oregon Mortgage Lender Law and the Oregon Loan Origination Law.

30. The Director, pursuant to ORS 86A.224 and based upon each and every violation stated in the Conclusions of Law, hereby ORDERS that the Oregon loan originator license issued to Respondent shall be REVOKED.

31. The entry of this Order in no way limits further remedies which may be available to the Director under Oregon law.

Dated this 11th day of January, 2022.

Andrew Stolfi, Director
Department of Consumer and Business Services

*/s/ Dorothy Bean*
Dorothy Bean, Chief of Enforcement
Division of Financial Regulation

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

NOTICE OF RIGHT TO JUDICIAL APPEAL

Except as provided in ORS 86A.142, you may be entitled to judicial review of this Order under ORS 183.482. You may request judicial review by filing a petition with the Court of Appeals in Salem, Oregon, within 60 days from the date this Order is served.