

1 CLOTHILDE V. HEWLETT  
Commissioner  
2 MARY ANN SMITH  
Deputy Commissioner  
3 AMY J. WINN  
Assistant Chief Counsel  
4 VANESSA T. LU (State Bar No. 295217)  
Senior Counsel  
5 Department of Financial Protection and Innovation  
6 1455 Frazee Road, Suite 315  
7 San Diego, California 92108  
Telephone: (213) 703-9181  
8 Facsimile: (619) 209-3612

9 Attorneys for Complainant

10 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION  
11 OF THE STATE OF CALIFORNIA

12 In the Matter of:	)	OAH Case No. 2024090080
	)	
13 THE COMMISSIONER OF FINANCIAL	)	Lic. No. 41DBO-73160
14 PROTECTION AND INNOVATION,	)	
	)	NMLS ID No. 810371
15 Complainant,	)	
	)	SETTLEMENT AGREEMENT
16 v.	)	
	)	
	)	Hearing Date: February 4, 2025
18 FAMILY FIRST FUNDING LLC,	)	Time: 9:00 a.m.
	)	Location: 402 West Broadway, Suite 600
19 Respondent.	)	San Diego, CA 92101
	)	Video Hearing
	)	

21  
22 The Commissioner of Financial Protection and Innovation (Commissioner) and Family First  
23 Funding LLC (Respondent) (collectively the Parties) enter this Settlement Agreement with respect  
24 to the following facts:

25 **I.**

26 **Recitals**

27 A. The Department of Financial Protection and Innovation (Department), through the  
28 Commissioner, has jurisdiction over the licensing and regulation of persons and entities engaged in

1 the business of residential mortgage lending or brokering under the California Residential Mortgage  
2 Lending Act (California Financial Code § 50000 et seq.) (CRMLA).

3 B. Family First Funding LLC is a limited liability company organized in the State of  
4 New Jersey and has its principal place of business located 44 Washington Street, Suite 200, Toms  
5 River, New Jersey 08753.

6 C. On April 30, 2018, the Commissioner issued CRMLA license number 41DBO-  
7 73160 to Respondent. Pursuant to Financial Code section 50002.5(d) and section 50003(z),  
8 Respondent maintains the unique Nationwide Multistate Licensing System and Registry  
9 identification number (NMLS ID No.) 810371. Respondent operated the website  
10 www.fam1fund.com and used the email address nmls@fam1fund.com to correspond with the  
11 Commissioner.

12 D. Gabriel Franklin Gillen (Gillen) is the Chief Executive Officer and president of  
13 Family First. Gillen is registered under NMLS ID No. 151012. Gillen used the email address  
14 ggillen@fam1fund.com to correspond with the Commissioner.

15 E. Michael Perry (Perry) is the chief of staff and a loan officer for Family First. Perry is  
16 registered under NMLS ID No. 210769. Perry used the email address mperry@fam1fund.com to  
17 correspond with the Commissioner.

18 F. Kathy Lovece (Lovece) is the director of compliance for Family First. Lovece used  
19 the email address klovece@fam1fund.com to correspond with the Commissioner.

20 G. On or around July 24, 2023, the Commissioner performed a remote regulatory  
21 examination (2023 Examination) on Respondent’s business activities during the period  
22 July 1, 2020 to January 31, 2023.

23 H. On or around November 3, 2023, the Commissioner issued a closing examination  
24 report notifying Respondent that its responses to the 2023 Examination were deficient and  
25 incomplete. By failing to locate applicable documents and supplement its responses, Respondent  
26 failed to keep documents and records that would properly enable the Commissioner to determine  
27 whether it complied with the CRMLA in violation of Financial Code section 50314 and section  
28 50124(a)(2), and California Code of Regulations, title 10, section 1950.31.14.4.

1 I. On April 15, 2024, the Commissioner personally served Respondent with the Notice  
2 of Intention to Issue Order Revoking California Residential Mortgage Lender License Pursuant to  
3 Financial Code Section 50327 (Notice of Intention), Accusation in Support to Revocation of  
4 California Residential Mortgage Lender License (Accusation), Statement to Respondent,  
5 Government Code Sections 11507.5, 11507.6 and 11507.7, [blank] Notice of Defense, and  
6 Complainant’s Discovery Request Under Government Code section 11507.6.

7 J. On April 25, 2024, Respondent timely filed its Notice of Defense with the  
8 Commissioner requesting a hearing to contest the Accusation. The Office of Administrative  
9 Hearings has scheduled a one-day hearing for February 4, 2025.

10 K. It is the intention of the Parties to resolve the Accusation without the necessity of a  
11 hearing.

12 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions  
13 contained therein, the Parties agrees as follows:

14 **II.**

15 **Terms and Conditions**

16 1. Purpose. This Settlement Agreement resolves the issues before the Commissioner set  
17 forth in paragraphs A through K above, in a manner that avoids the expense of a hearing and other  
18 possible court proceedings, protects consumers, is in the public interest, and is consistent with the  
19 purposes, policies, and provisions of the CRMLA.

20 2. Order to Discontinue Violations. Respondent hereby agrees, and the Commissioner  
21 orders that, in accordance with Financial Code section 50321 and section 50323, Respondent will  
22 immediately discontinue the violations set forth herein.

23 3. 2024-2025 Annual Assessment. Pursuant to Financial Code section 50401(a)-(d),  
24 Respondent shall pay the Commissioner its 2024-2025 Annual Assessment in the amount of \$5,000  
25 within 30 days after the Effective Date set forth in paragraph 29 below. The 2024-2025 Annual  
26 Assessment represents the business activity that Respondent completed in 2023. Notice of the  
27 payment must be concurrently sent to Vanessa T. Lu, Senior Counsel, Enforcement Division, via  
28 electronic mail at Vanessa.Lu@dfpi.ca.gov.

1           4.     Examination Costs. Respondent shall pay to the Commissioner examination costs in  
2 the amount of \$1550 within 30 days after the Effective Date set forth in paragraph 29 below. The  
3 examination costs must be made payable in the form of a cashier’s check or Automated Clearing  
4 House deposit transmitted to the attention of Accounting – Litigation, at the Department of Financial  
5 Protection and Innovation, 2101 Arena Boulevard, Sacramento, California 95834. Notice of the  
6 payment must be concurrently sent to Vanessa T. Lu, Senior Counsel, Enforcement Division, via  
7 electronic mail at Vanessa.Lu@dfpi.ca.gov.

8           5.     Penalties. Respondent shall pay to the Commissioner penalties in the amount of  
9 \$1,000 within 30 days after the Effective Date set forth in paragraph 29 below. The penalties must  
10 be made payable in the form of a cashier’s check or Automated Clearing House deposit transmitted  
11 to the attention of Accounting – Litigation, at the Department of Financial Protection and  
12 Innovation, 2101 Arena Boulevard, Sacramento, California 95834. Notice of the payment must be  
13 concurrently sent to Vanessa T. Lu, Senior Counsel, Enforcement Division, via electronic mail at  
14 Vanessa.Lu@dfpi.ca.gov.

15          6.     Return License. Respondent shall return its original license 41DBO-73160 to the  
16 Commissioner. The Commissioner acknowledges receipt of Respondent’s license before or  
17 contemporaneously with the execution of this Settlement Agreement.

18          7.     Closing Audit. Respondent must file a closing audit with the Commissioner in  
19 compliance with Financial Code section 50123(b) and California Code of Regulations, title 10,  
20 section 1950.123. The Commissioner acknowledges receipt of Respondent’s closing audit before or  
21 contemporaneously with the execution of this Settlement Agreement.

22          8.     Surrender of License. Upon completion of paragraphs 2 through 7 above, the  
23 Commissioner will accept Respondent’s license surrender in NMLS.

24          9.     Waiver of Hearing Rights. Respondent acknowledges the Commissioner is ready,  
25 willing, and able to proceed with the administrative enforcement action described in paragraphs A  
26 through K above, and Respondent hereby waives the right to a hearing, and to any reconsideration,  
27 appeal or other right to review which may be afforded pursuant to the CRMLA; the California  
28 Administrative Procedure Act (APA), the California Code of Civil Procedure (CCP), or any other

1 provision of law; by waiving such rights, Respondent effectively consents to this Settlement  
2 Agreement becoming final.

3 10. Full and Final Settlement. The Parties hereby acknowledge and agree that this  
4 Settlement Agreement is intended to constitute a full, final, and complete resolution of the  
5 violations described herein, and that no further proceedings or actions will be brought by the  
6 Commissioner in connection with these matters except under the CRMLA or any other provision of  
7 law, excepting therefrom any proceeding to enforce compliance with the terms of this Settlement  
8 Agreement.

9 11. Failure to Comply with Settlement Agreement. Respondent agrees that if it fails to  
10 comply with the terms of this Settlement Agreement, the Commissioner may, in addition to all  
11 other available remedies she may invoke under the CRMLA, summarily suspend or revoke the  
12 CRMLA licenses of Respondent until Respondent is in compliance. Respondent waives any notice  
13 and hearing rights to contest such summary suspensions or revocations which may be afforded  
14 under the CRMLA, APA, CCP, or any other provision of law.

15 12. Information Willfully Withheld or Misrepresented. Notwithstanding paragraph 13  
16 below, this Settlement Agreement may be revoked, and the Commissioner may pursue any and all  
17 remedies available under the law against Respondent if the Commissioner discovers that  
18 Respondent knowingly or willfully withheld or misrepresented any material information.

19 13. Future Actions by Commissioner. If Respondent fails to comply with any terms of  
20 this Settlement Agreement, the Commissioner may institute proceedings for any and all violations  
21 otherwise resolved under this Settlement Agreement. The Commissioner reserves the right to bring  
22 any future actions against Respondent, or any of its partners, owners, officers, shareholders,  
23 directors, employees or successors for any and all unknown violations of the CRMLA.

24 14. Assisting Other Agencies. Nothing in this Settlement Agreement limits the  
25 Commissioner’s ability to assist any other governmental agency (city, county, state, or federal) with  
26 any prosecution, administrative, civil or criminal brought by that agency against Respondent or any  
27 other person based upon any of the activities alleged in this matter or otherwise.

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1           15.    Headings. The headings to the paragraphs of this Settlement Agreement are  
2 inserted for convenience only and will not be deemed a part hereof or affect the construction  
3 or interpretation of the provisions hereto.

4           16.    Binding. This Settlement Agreement is binding on all heirs, assigns, and/or  
5 successors in interest.

6           17.    Reliance. Each of the Parties represents, warrants, and agrees in that  
7 executing this Settlement Agreement it has solely relied on the statements set forth herein  
8 and the advice of its own counsel, if represented. Each of the Parties further represents,  
9 warrants, and agrees that in executing this Settlement Agreement it has placed no reliance  
10 on any statement, representation, or promise of any other party or any other person or entity  
11 not expressly set forth herein, or upon the failure of any party or any other person or entity  
12 to make any statement, representation or disclosure whatsoever. The Parties have included  
13 this clause: (1) to preclude any claim that any party was in any way fraudulently induced to  
14 execute this Settlement Agreement; and (2) to preclude the introduction of parol evidence to  
15 vary, interpret, supplement, or contradict the terms of this Settlement Agreement.

16           18.    Waiver, Amendments and Modifications. No waiver, amendment, or  
17 modification of this Settlement Agreement will be valid or binding unless it is in writing and  
18 signed by each of the Parties. The waiver of any provision of Settlement Agreement will not  
19 be deemed a waiver of any other provision. No waiver by either party of any breach of, or of  
20 compliance with, any condition or provision of this Settlement Agreement by the other party  
21 will be considered a waiver of any other condition or provision or of the same condition or  
22 provision at another time.

23           19.    Full Integration. This Settlement Agreement is the final written expression  
24 and the complete and exclusive statement of all the agreements, conditions, promises,  
25 representations, and covenant between the Parties with respect to the subject matter hereof,  
26 and supersedes all prior or contemporaneous agreements, negotiations, representations,  
27 understandings, and discussions between and among the Parties, their respective  
28

1 representatives, and any other person or entity, with respect to the subject matter covered hereby.

2           20. No Presumption Against Drafting Party. Each party acknowledges that it has had  
3 the opportunity to draft, review, and edit the language of this Settlement Agreement. Accordingly,  
4 the Parties intend that no presumption for or against the drafting party will apply in construing any  
5 part of this Settlement Agreement. The Parties waive the benefit of CCP section 1654 as amended  
6 or corresponding provisions of any successor statute, which provided that in cases of uncertainty,  
7 language of a contract should be interpreted most strongly against the party that caused the  
8 uncertainty to exist.

9           21. Independent Legal Advice. Each of the Parties represents, warrants, and agrees that  
10 it has received, or had the opportunity to receive, independent advice from its attorney(s) and/or  
11 representatives with respect to the advisability of executing this Settlement Agreement.

12           22. Governing Law. This Settlement Agreement will be governed by and construed in  
13 accordance with California law. Each of the Parties hereto consents to the jurisdiction of such court,  
14 and hereby irrevocably waives, the fullest extent permitted by the law, the defense of an  
15 inconvenient forum to the maintenance of such action or proceeding in such court.

16           23. Mandatory Disclosure in Future Applications. Respondent and Gillen agree to  
17 disclose this Settlement Agreement in any future application for a license, permit or qualification  
18 under the Commissioner’s current or future jurisdiction.

19           24. Effect Upon Future Proceedings. If Respondent applies for any license, permit or  
20 qualification under the Commissioner’s current or future jurisdiction, or is the subject of any future  
21 action by the Commissioner to enforce this Settlement Agreement, then the subject matter hereof  
22 shall be admitted for the purpose of such application(s) or enforcement proceeding(s).

23           25. Voluntary Agreement. Respondent enters this Settlement Agreement voluntarily and  
24 without coercion and acknowledges that no promises, threats or assurances have been made by the  
25 Commissioner or any officer, or agent thereof, about this Settlement Agreement. The Parties each  
26 represent and acknowledge that they are executing this Settlement Agreement completely  
27 voluntarily and without any duress or undue influence of any kind from any source.

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1           26.   Counterparts. This Settlement Agreement may be executed in one or more  
2 separate counterparts, each of which when so executed, shall be deemed an original. Such  
3 counterparts shall together constitute a single document.

4           27.   Notice. Any notice required under this Settlement Agreement shall be  
5 provided to each party at the following addresses:

6 To Family First Funding LLC:      Gabriel Gillen  
7    Chief Executive Officer and President  
8    44 Washington Street, Suite 200  
9    Toms River, NJ 08753  
10   ggillen@fam1fund.com

11 To the Commissioner:               Vanessa T. Lu  
12   Senior Counsel, Enforcement Division  
13   Department of Financial Protection and Innovation  
14   1450 Frazee Road, Suite 315  
15   San Diego, CA 92018  
16   Vanessa.Lu@dfpi.ca.gov

17           28.   Signatures. A fax or electronic mail signature shall be deemed the same as an  
18 original signature.

19           29.   Public Record. Respondent acknowledges that this Settlement Agreement is a matter  
20 of public record.

21           30.   Effective Date. This Settlement Agreement shall become final and effective when  
22 signed by all the Parties and delivered by the Commissioner’s agent via e-mail to Respondent at  
23 ggillen@fam1fund.com.  
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31. Authority to Sign. Each signatory hereto covenants that he/she possesses all necessary capacity and authority to sign and enter into this Settlement Agreement and undertake the obligations set forth herein.

Dated: November 25, 2024

CLOTHILDE V. HEWLETT  
Commissioner of Financial Protection and Innovation



By \_\_\_\_\_  
MARY ANN SMITH  
Deputy Commissioner  
Enforcement Division

Dated: October 30, 2024

By \_\_\_\_\_  
FAMILY FIRST FUNDING LLC