

1 ALAN S. WEINGER
Deputy Commissioner
2 JOHNNY VUONG (CA BAR NO. 249570)
Corporations Counsel
3 Department of Corporations
320 West 4th Street, Ste. 750
4 Los Angeles, California 90013-2344
Telephone: (213) 576-7585
5 Fax: (213) 576-7181

6 Attorneys for Complainant

7
8 BEFORE THE DEPARTMENT OF CORPORATIONS
9 OF THE STATE OF CALIFORNIA

10 In the Matter of THE CALIFORNIA) File No.: 413-0881
CORPORATIONS COMMISSIONER,)
11)
Complainant,)
12) SETTLEMENT AGREEMENT
vs.)
13)
14 SKYLINE MORTGAGE, LLC,)
Respondent.)
15)
_____)

16
17
18 This Agreement (“Agreement”) is entered into between Skyline Mortgage, LLC (“Skyline”) and the California Corporations Commissioner, Jan Lynn Owen, (“Commissioner”) with respect to
19 the following facts:
20

21 **RECITALS**

22 A. Skyline Mortgage, LLC (“Skyline”) is a residential mortgage lender and/or servicer
23 licensed by the Commissioner pursuant to the California Residential Mortgage Lending Act
24 (“CRMLA”) (California Financial Code Section 50000 et seq.), under license number 413-0881,
25 with its principal place of business at 65 Madison Avenue, Suite # 310, Morristown, New Jersey
26 07960.

27 B. On September 7, 2011, the Commissioner issued an Order to Discontinue Residential
28 Mortgage Lending And/Or Servicing Activities Pursuant To Section 50319, California Financial Code (“September 2011 Order”) to Skyline for Skyline’s failure to maintain a surety bond in

1 accordance with the CRMLA. The Commissioner served the September 2011 Order by certified mail
2 on September 7, 2011 and Skyline signed for the September 2011 Order on September 13, 2011.
3 Skyline did not request a hearing on the September 2011 Order until October 4, 2011, after the
4 statutory time period has passed. The September 2011 Order is now final and remains in effect.

5 C. On November 7, 2011, the Commissioner issued an Order Summarily Revoking
6 Residential Mortgage Lender and/or Servicer License (“November 2011 Order”) and Accusation to
7 Skyline for Skyline’s failure to pay their annual assessment. Skyline was served with the Order by
8 certified mail on November 8, 2011. The Commissioner received a Notice of Defense from Skyline
9 on November 18, 2011 requesting a hearing on the November 2011 Order.

10 D. On December 20, 2011, the Commissioner received a check from Skyline in the
11 amount of \$5,100, reflecting the \$5,000 annual assessment and late penalties of \$100.

12 E. It is the intention and desire of the parties to resolve this matter without the necessity
13 of other litigation.

14 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set
15 forth herein, the parties agree as follows:

16 **TERMS AND CONDITIONS**

- 17 1. This Agreement is entered into for the purpose of judicial economy and expediency, and
18 to avoid the time and expense of possible further court proceedings.
- 19 2. Each of the Parties represents, warrants, and agrees that it has received or been advised to
20 seek independent legal advice from its attorneys with respect to the advisability of executing this
21 Agreement.
- 22 3. Skyline hereby agrees to withdraw its Notice of Defense requesting a hearing on the
23 November 2011 Order. Upon receipt of Skyline’s written request to withdrawal its Notice of
24 Defense, the Commissioner will issue an Order setting aside the November 2011 Order.
- 25 4. This Agreement is the final written expression and the complete and exclusive statement
26 of all the agreements, conditions, promises, representations, and covenants between the parties with
27 respect to the subject matter hereof, and supercedes all prior or contemporaneous agreements,
28

1 negotiations, representations, understandings, and discussions between and among the parties, their
2 respective representatives, and any other person or entity.

3 5. Notwithstanding any other provision contained herein, nothing in this Agreement shall
4 operate to limit the Commissioner’s ability to investigate and prosecute violations of the California
5 Residential Mortgage Lending Act not addressed herein, or to assist any other agency (county, state
6 or federal) with any prosecution, administrative, civil or criminal, brought by such agency against
7 Skyline.

8 6. In that the parties have had the opportunity to draft, review and edit the language of this
9 Agreement, no presumption for or against any party arising out of drafting all or any part of this
10 Agreement will be applied in any action relating to or arising out of this Agreement. Accordingly,
11 the parties hereby waive the benefit of California Civil Code section 1654 and any successor statute.

12 7. The waiver of any provision of this Agreement shall not operate to waive any other
13 provision set forth herein, and any waiver, amendment and/or change to the terms of this Agreement
14 must be in writing signed by the parties hereto.

15 8. Each signatory hereto covenants that they possess all necessary capacity and authority to
16 sign and enter into this Agreement. Each signatory warrants and represents that such signatory is
17 fully entitled and duly authorized to enter into and deliver this Agreement. In particular, and without
18 limiting the generality of the foregoing, each signatory warrants and represents that it is fully entitled
19 to enter into the covenants, and undertake the obligations set forth herein.

20 9. This Agreement may be executed in one or more counterparts, each of which shall be an
21 original but all of which, together, shall be deemed to constitute a single document. A fax signature
22 shall be deemed the same as an original signature.

23
24 Dated: 1/18/12

California Corporations Commissioner

25
26 By _____
27 Alan S. Weinger
28 Deputy Commissioner
Enforcement Division

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Dated: 1/4/12

Skyline Mortgage, LLC

By _____
Glenn Bromley
President

1 ALAN S. WEINGER (CA BAR NO. 86717)
2 DEPUTY COMMISSIONER
3 320 WEST 4th STREET, SUITE 750
4 LOS ANGELES, CALIFORNIA 90013-1105

5 Attorneys for Complainant

6
7 BEFORE THE DEPARTMENT OF CORPORATIONS
8 OF THE STATE OF CALIFORNIA
9

10 In the Matter of the Accusation of) File No. 4130881
11)
12 THE CALIFORNIA CORPORATIONS)
13 COMMISSIONER,)
14)
15 Complainant,)
16)
17 vs.)
18)
19)
20)
21 SKYLINE MORTGAGE, LLC , Respondent)
22)

23 ORDER SETTING ASIDE
24 ORDER SUMMARILY REVOKING
25 RESIDENTIAL MORTGAGE LENDER AND/OR SERVICER LICENSE

26 TO: SKYLINE MORTGAGE, LLC
27 65 MADISON AVENUE, SUITE 310
28 MORRISTOWN, NJ 07960

NOW, THEREFORE, the Commissioner having found that SKYLINE MORTGAGE, LLC has paid its assessment as required by Section 50401 of the Financial Code the Order Summarily Revoking Residential Mortgage Lender and/or Servicer License is hereby set aside as of January 18, 2012.

1 Dated: Los Angeles, California
2 January 20, 2012

3 Effective: January 18, 2012

4 JAN LYNN OWEN
5 CALIFORNIA CORPORATIONS COMMISSIONER

6 By _____
7 DiAun M. Burns
8 Special Administrator
9 California Residential Mortgage Lending Act
10 (213) 576-7620
11 FAX (213) 576-7574
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

1 PRESTON DUFAUCHARD
2 CALIFORNIA CORPORATIONS COMMISSIONER
3 ALAN S. WEINGER (CA BAR NO. 86717)
4 DEPUTY COMMISSIONER
5 320 WEST 4th Street, Ste. 750
6 LOS ANGELES, CALIFORNIA 90013-1105

7 Attorneys for Complainant

8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

BEFORE THE DEPARTMENT OF CORPORATIONS
OF THE STATE OF CALIFORNIA

In the Matter of the Accusation of THE) File No. 413 0881
COMMISSIONER OF CORPORATIONS OF)
THE STATE OF CALIFORNIA,)
Complainant,)
vs.)
SKYLINE MORTGAGE, LLC,)
Respondent.)

ORDER TO DISCONTINUE RESIDENTIAL MORTGAGE LENDING
AND/OR SERVICING ACTIVITIES PURSUANT TO
SECTION 50319, CALIFORNIA FINANCIAL CODE

TO: SKYLINE MORTGAGE, LLC
65 MADISON AVENUE, SUITE 310
MORRISTOWN, NJ 07960

THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA
FINDS THAT:

SKYLINE MORTGAGE, LLC has failed to comply with the bonding requirements of the
California Residential Mortgage Lending Act (California Financial Code Section 50000 et seq.) in
that effective September 7, 2011 Bond No. 017136146 issued by LIBERTY MUTUAL

1 INSURANCE COMPANY in favor of SKYLINE MORTGAGE, LLC expired and no replacement
2 bond has been obtained.

3
4 Based on the foregoing, Respondent is conducting residential mortgage lending
5 and/or servicing business in violation of Section 50205 of the Financial Code and is conducting
6 business in such an unsafe and injurious manner as to render further operations hazardous to the
7 public or to customers.

8 NOW, BASED ON THE FOREGOING, AND GOOD CAUSE APPEARING
9 THEREFORE, it is hereby ORDERED, under the provisions of Section 50319 of the California
10 Financial Code, SKYLINE MORTGAGE, LLC immediately discontinue the disbursement, in
11 whole or in part, of trust funds held by the licensee and establish a separate trust account for all
12 subsequent trust funds received by the licensee.
13

14
15 THIS ORDER is to remain in full force and effect until further order of the Commissioner.

16 Section 50319 of the Financial Code provides as follows:

17 (a) If the commissioner, as a result of any examination or from any report
18 made to him or her, shall find that any person subject to this division is in an
19 insolvent condition, is conducting business in an unsafe or injurious manner that
20 renders further operations hazardous to the public or to customers, has failed to
21 comply with the provision of Section 50317, has permitted its tangible net worth to
22 be lower than the minimum required by law, or has failed to comply with the
23 bonding requirements of Section 50205, the commissioner may, by an order
24 addressed to and served by registered or certified mail, or by personal service on that
25 person, and on any other person having in his or her possession or control any trust
26 funds or other property deposited in escrow with that person, direct discontinuance
of the disbursement, in whole or in part, of trust funds held by the licensee and order
the establishment of a separate trust account for all subsequent trust funds received
by the licensee. No person having in his or her possession any of these funds or
documents shall be liable for failure to comply with the order unless he or she has
received written notice of the order. Subject to subdivision (b), the order shall
remain in effect until set aside by the commissioner, or the person has been adjudged
bankrupt.

27 (b) Within 15 days from the date of an order pursuant to subdivision (a), the
28 person may request a hearing under the Administrative Procedure Act (Chapter 5
(commencing with Section 11500) of Part 2 of Division 3 of Title 2 of the
Government Code). Upon receiving a request, the matter shall be set for hearing to
commence within 30 days after the receipt unless the person subject to this division
consents to a later date. If no hearing is requested within 15 days after the mailing or

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

service of the notice and none is ordered by the commissioner, the failure to request a hearing shall constitute a waiver of the right to a hearing. Neither the request for a hearing nor the hearing itself shall stay the order issued by the commissioner under subdivision (a).

DATED: September 7, 2011
Los Angeles, California

Preston DuFauchard
California Corporations Commissioner

By _____
DiAun M. Burns
Special Administrator
California Residential Mortgage Lending Act

1 PRESTON DUFAUCHARD
2 CALIFORNIA CORPORATIONS COMMISSIONER
3 ALAN S. WEINGER (CA BAR NO. 86717)
4 DEPUTY COMMISSIONER
5 320 WEST 4th STREET, SUITE 750
6 LOS ANGELES, CALIFORNIA 90013-1105

7 Attorneys for Complainant

8
9 BEFORE THE DEPARTMENT OF CORPORATIONS
10 OF THE STATE OF CALIFORNIA
11

12 In the Matter of the Accusation of) File No. 4130881
13)
14 THE CALIFORNIA CORPORATIONS)
15 COMMISSIONER,)
16)
17 Complainant,)
18)
19 vs.)
20)
21)
22 SKYLINE MORTGAGE, LLC , Respondent)
23)
24)
25)
26)
27)
28)

29 ORDER SUMMARILY REVOKING
30 RESIDENTIAL MORTGAGE LENDER AND/OR SERVICER LICENSE

31 THE CALIFORNIA CORPORATIONS COMMISSIONER FINDS THAT:

32 GOOD CAUSE APPEARING, the license issued SKYLINE MORTGAGE, LLC is hereby
33 revoked for failure to comply with Section 50401 of the California Residential Mortgage Lending Act
34 which requires the payment of an assessment to the Commissioner.
35
36
37
38

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Dated: November 7, 2011
Effective: December 12, 2011
Los Angeles, California

PRESTON DUFAUCHARD
CALIFORNIA CORPORATIONS COMMISSIONER

By _____
DIAUN M. BURNS
Special Administrator
California Residential Mortgage Lending Act