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9  
10 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
11 OF THE STATE OF CALIFORNIA

12 In the Matter of ) CRMLA No. 413-1098  
13 )  
14 CROSSCOUNTRY MORTGAGE, INC. ) **CONSENT ORDER**  
15 Respondent. )  
16 )  
17 )

18 This Consent Order (“Consent Order”) is entered into between the Commissioner of Business  
19 Oversight (“Commissioner”) and CrossCountry Mortgage, Inc. (“CrossCountry”), and is made with  
20 respect to the following facts:

21 RECITALS

- 22 A. The Commissioner has jurisdiction over the licensing and regulation of persons and entities  
23 engaged in the business of lending and/or servicing residential mortgage loans pursuant to the  
24 California Residential Mortgage Lending Act (“CRMLA”) (Fin. Code § 50000 et seq.).  
25 B. CrossCountry is a residential mortgage lender licensed by the Commissioner since  
26 December 7, 2010 (CRMLA License No. 413-1098). CrossCountry has its principal place of  
27 business located at 6850 Miller Road, Brecksville, Ohio 44141. CrossCountry operates multiple  
28 branch offices in California.

1 C. Ronald J. Leonhardt, Jr. is the President of CrossCountry and, as such, is authorized to enter  
2 into this Consent Order on behalf of CrossCountry.

3 D. CrossCountry disclosed in its annual reports provided to the Department that it was  
4 servicing loans from at least September 2012 based on a belief that its lender license permitted such  
5 activity. However, CrossCountry's license did not include servicing authority, and so its servicing  
6 activity violated Financial Code section 50002, subdivision (a). CrossCountry filed an application  
7 to add servicing authority to its license on or about March 24, 2014.

8 E. It is the intention and desire of the parties to resolve this matter without the necessity of a  
9 hearing and/or other litigation.

10 F. The Commissioner finds that this action is appropriate, in the public interest, and consistent  
11 with the purposes fairly intended by the policy and provisions of the CRMLA.

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

14 TERMS AND CONDITIONS

15 1. Purpose

16 The purpose of this Consent Order is to resolve the violations of the CRMLA in a manner that  
17 avoids the expense of court proceedings and a hearing, is in the public interest, protects consumers,  
18 and is consistent with the purposes, policies, and provisions of the CRMLA.

19 2. Finality of Order

20 CrossCountry hereby agrees to comply with this Consent Order and, further, stipulates that once  
21 executed by both parties, this Consent Order is deemed a final and enforceable order issued  
22 pursuant to the Commissioner's authority under Financial Code sections 50320, 50321 and 50513.

23 3. Waiver of Hearing Rights

24 CrossCountry acknowledges that the Commissioner is ready, willing, and able to proceed with the  
25 filing of an administrative enforcement action on the charges contained in this Consent Order, and  
26 CrossCountry hereby waives the right to a hearing, and to any reconsideration, appeal, or other right  
27 to review which may be afforded pursuant to the CRMLA. CrossCountry further expressly waives  
28 any requirement for the filing of an Accusation that may be afforded by Government Code section

1 11415.60 (b), the California Administrative Procedure Act, the California Code of Civil Procedure,  
2 or any other provision of law; and by waiving such rights, CrossCountry effectively consents to this  
3 Consent Order becoming final.

4 4. Payment of Penalties

5 CrossCountry shall pay the penalty of five thousand dollars (\$5,000.00) for the violations of  
6 Financial Code section 50002, subdivision (a). The payment of the five thousand dollars  
7 (\$5,000.00) in penalties set forth in this paragraph shall be due within fifteen (15) calendar days of  
8 the date this Order is final, pursuant to section 20 herein. The penalty payment shall be in the form  
9 of a cashier's check to the "Department of Business Oversight," and mailed via traceable method to  
10 the attention of Joanne Ross, Senior Counsel, Enforcement Division, at the Department of Business  
11 Oversight located at 1515 K Street, Suite 200, Sacramento, California, 95814.

12 5. Desist and Refrain Order

13 CrossCountry is hereby ordered not to engage in servicing activity in this state unless first licensed  
14 or exempt.

15 6. Effect of Consent Order on License

16 In consideration of CrossCountry's agreement to desist and refrain from further violations of the  
17 CRMLA, to the entry of this Consent Order, and to pay penalties required herein, the Commissioner  
18 hereby agrees that except as set forth in this Consent Order, she shall not suspend the residential  
19 mortgage lender or servicer license of CrossCountry based on violations of the code provisions  
20 cited in this order. In addition, the Commissioner agrees that she will issue CrossCountry's  
21 servicing license effective on the date this Order is final, pursuant to section 20 herein.

22 7. Suspension of License for Failure to Comply with Order

23 If CrossCountry fails to meet any deadline or any requirement in this Consent Order, other than  
24 inadvertent and isolated errors that are promptly corrected by CrossCountry, CrossCountry shall be  
25 immediately suspended from lending and servicing under its CRMLA license(s) until the  
26 requirement is met. CrossCountry hereby waives any notice and hearing rights to contest the  
27 immediate suspension from lending and servicing resulting from failure to comply with the  
28 requirements of this Order that may be afforded under the California Financial Code, the California

1 Administrative Procedure Act, the California Code of Civil Procedure, or any other legal provisions.

2 8. Full and Final Settlement

3 The parties hereby acknowledge and agree that this Consent Order is intended to constitute a full,  
4 final, and complete resolution of CrossCountry’s violations of the CRMLA identified in this Order.

5 No further proceedings or actions will be brought by the Commissioner in connection with these  
6 matters either under the CRMLA, or any other provision of law, excepting therefrom any  
7 proceeding to enforce compliance with the terms of this Consent Order, or action if such proceeding  
8 or action is based upon discovery of new and further violations of the CRMLA which do not form  
9 the basis for this Consent Order or which were knowingly concealed from the Commissioner by  
10 CrossCountry.

11 9. Binding

12 This Consent Order is binding on all heirs, assigns, and/or successors in interest.

13 10. Commissioner’s Duties

14 The parties further acknowledge and agree that nothing contained in this Consent Order shall  
15 operate to limit the Commissioner’s ability to assist any other agency (city, county, state or federal)  
16 with any prosecution, administrative, civil or criminal, brought by any such agency against  
17 CrossCountry or any other person based upon any of the activities alleged in these matters or  
18 otherwise.

19 11. Third Party Actions

20 It is the intent and understanding between the parties that this Consent Order does not create any  
21 private rights or remedies against CrossCountry, create any liability for CrossCountry or limit  
22 defenses of CrossCountry for any person or entity not a party to this Consent Order.

23 12. Future Actions by Commissioner

24 This Consent Order may be revoked and the Commissioner may pursue any and all remedies  
25 available under law against CrossCountry if the Commissioner later discovers that CrossCountry  
26 knowingly or willfully withheld information used for and relied upon in this Consent Order.  
27 Further, CrossCountry agrees that this Consent Order does not resolve any penalties that may be  
28 assessed by the Commissioner upon discovery of new and further violations of the CRMLA.

1 13. Independent Legal Advice

2 Each of the parties represents, warrants, and agrees that it has received independent advice from its  
3 attorney(s) and/or representatives with respect to the advisability of executing this Consent Order.

4 14. Counterparts

5 The parties agree that this Consent Order may be executed in one or more separate counterparts,  
6 each of which when so executed, shall be deemed an original. Such counterparts shall together  
7 constitute and be one and the same instrument.

8 15. Waiver, Modification, and Qualified Integration

9 The waiver of any provision of this Consent Order shall not operate to waive any other provision set  
10 forth herein. No waiver, amendment, or modification of this Consent Order shall be valid or  
11 binding to any extent unless it is in writing and signed by all of the parties affected by it.

12 16. Headings and Governing Law

13 The headings to the paragraphs of this Consent Order are inserted for convenience only and will not  
14 be deemed a part hereof or affect the construction or interpretation of the provisions hereof. This  
15 Consent Order shall be construed and enforced in accordance with and governed by California law.

16 17. Full Integration

17 Each of the parties represents, warrants, and agrees that in executing this Consent Order it has relied  
18 solely on the statements set forth herein and the advice of its own counsel. Each of the parties  
19 further represents, warrants, and agrees that in executing this Consent Order it has placed no  
20 reliance on any statement, representation, or promise of any other party, or any other person or  
21 entity not expressly set forth herein, or upon the failure of any party or any other person or entity to  
22 make any statement, representation or disclosure of anything whatsoever. The parties have included  
23 this clause: (1) to preclude any claim that any party was in any way fraudulently induced to execute  
24 this Consent Order; and (2) to preclude the introduction of parol evidence to vary, interpret,  
25 supplement, or contradict the terms of this Consent Order.

26 18. Presumption from Drafting

27 In that the parties have had the opportunity to draft, review and edit the language of this Consent  
28 Order, no presumption for or against any party arising out of drafting all or any part of this Consent

1 Order will be applied in any action relating to, connected to, or involving this Consent Order.  
2 Accordingly, the parties waive the benefit of Civil Code section 1654 and any successor or  
3 amended statute, providing that in cases of uncertainty, language of a contract should be interpreted  
4 most strongly against the party who caused the uncertainty to exist.

5 19. Voluntary Agreement

6 CrossCountry enters into this Consent Order voluntarily and without coercion and acknowledges  
7 that no promises, threats or assurances have been made by the Commissioner or any officer, or  
8 agent thereof, about this Consent Order.

9 20. Effective Date

10 This Consent Order shall become final and effective when signed by all parties and delivered by the  
11 Commissioner's counsel by email to CrossCountry's Chief Legal Counsel, Alex J. Ragon, Esq., at  
12 ARagon@myccmortgage.com.

13 21. Public Record

14 CrossCountry acknowledges that this Consent Order is a public record.

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1 22. Authority to Execute

2 Each signatory hereto covenants that he/she possesses all necessary capacity and authority to sign  
3 and enter into this Consent Order.

4 Dated: 10/26/16 JAN LYNN OWEN  
5 Commissioner of Business Oversight

6  
7 By \_\_\_\_\_  
8 MARY ANN SMITH  
9 Deputy Commissioner  
10 Enforcement Division

11 Dated: 10/26/16 CROSSCOUNTRY MORTGAGE, INC.

12  
13  
14 By \_\_\_\_\_  
15 RONALD J. LEONHARDT, JR.  
16 President

17 APPROVED AS TO FORM AND CONTENT:

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19 \_\_\_\_\_  
20 Alex J. Ragon, Esq.  
21 Chief Legal Counsel for CrossCountry Mortgage, Inc.

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