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BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
OF THE STATE OF CALIFORNIA

<p>In the Matter of:</p> <p>THE COMMISSIONER OF BUSINESS OVERSIGHT,</p> <p style="padding-left: 100px;">Complainant,</p> <p style="text-align: center;">v.</p> <p>JACK EASTON,</p> <p style="padding-left: 100px;">Respondent.</p>	<p>) OAH CASE NO.: 2017081195</p> <p>)</p> <p>) CFL LICENSE NO.: 603K186</p> <p>)</p> <p>) SETTLEMENT AGREEMENT</p> <p>)</p> <p>) Hearing Date: February 15, 2018</p> <p>) Hearing Time: 9:00 a.m.</p> <p>) Location: Office of Administrative Hearings</p> <p>) 320 West 4th Street, Suite 630</p> <p>) Los Angeles, California 90013</p> <p>) Judge: Unassigned</p> <p>)</p> <p>)</p>
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This Settlement Agreement is entered into between the Commissioner of Business Oversight (Commissioner) and Respondent Jack Easton (Easton), and is made with respect to the following facts:

RECITALS

A. The Commissioner has jurisdiction over the licensing and regulation of persons and entities engaged in the business of finance lending or brokering under the California Financing Law (CFL) (Fin. Code, § 22000 et seq.).¹

¹ Effective October 4, 2017, the name of the California Finance Lenders Law changed to the California Financing Law. (Assem. Bill No. 1284 (2017-2018 Reg. Sess.) § 4.) For purposes of this document, a reference to the California Financing Law means the California Finance Lenders Law before October 4, 2017, and the California Financing Law on and after that date. (Fin. Code, § 22000.)

1 B. The purpose of the CFL is to ensure an adequate supply of credit to borrowers in
2 California; to simplify, clarify, and modernize the law governing loans made by finance lenders; to
3 foster competition among finance lenders; to protect borrowers against unfair practices by some
4 lenders, having due regard for the interests of legitimate and scrupulous lenders; to permit and
5 encourage the development of fair and economically sound lending practices; and to encourage and
6 foster a sound economic climate in this state. (Fin. Code, § 22001, subd. (a).)

7 C. Easton is an individual residing at 1108 Smith Street, Las Vegas, Nevada 89108.

8 D. On January 14, 2014, Easton was issued a license as a finance lender under license
9 number 603K186.

10 E. Under Financial Code section 22159, CFL licensees must file an annual report with
11 the Commissioner by March 15 of each year.

12 F. On March 6, 2017, the Commissioner reminded CFL licensees of the March 15
13 deadline for filing their annual reports by sending notice to the email addresses designated by the
14 licensees for receiving communications from the Commissioner according to the Commissioner’s
15 Order on Electronic Communications dated November 22, 2013.

16 G. As of March 22, 2017, the Commissioner had not received Easton’s annual report.
17 The Commissioner sent a final notice dated March 22, 2017, to Easton by certified mail, informing
18 him that if he did not file the annual report by the close of business on April 10, 2017, his license
19 would be summarily revoked under Financial Code section 22715.

20 H. On April 11, 2017, the Commissioner still had not received the annual report. Thus,
21 on April 19, 2017, the Commissioner issued an order summarily revoking Easton’s CFL license.
22 The order was effective that day.

23 I. On May 17, 2017, Easton filed his annual report, which was due on March 15, 2017.

24 J. Easton represented to the Commissioner that he had not conducted any business
25 requiring a CFL license from April 19, 2017, the effective date of the summary revocation, to June
26 26, 2017. Easton has also represented to the Commissioner that he believes he filed his annual
27 report electronically before April 11, 2017 and denies he willfully failed to file his annual report.
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1 K. On June 26, 2017, the Commissioner issued a Citation under Financial Code section
2 22707.5.

3 L. Concurrently with the Citation, the Commissioner issued an order rescinding the
4 April 19, 2017 revocation order and reinstating Easton’s CFL license.

5 M. On July 11, 2017, Easton timely requested a hearing on the Citation.

6 N. A hearing is currently set to be held at the Office of Administrative Hearings on
7 February 15, 2018.

8 O. The Commissioner finds that entering into this Settlement Agreement is in the public
9 interest and consistent with the purposes fairly intended by the policy and provisions of the CFL.

10 The parties therefore agree as follows:

11 **TERMS AND CONDITIONS**

12 1. Purpose. The parties intend to resolve this matter for the purpose of judicial
13 economy and expediency and without the uncertainty and expense of a hearing or other litigation.

14 2. Waiver of Hearing Rights. Easton agrees to withdraw his request for an
15 administrative hearing on the Citation. Easton acknowledges his right under the CFL to an
16 administrative hearing on the Citation and hereby waives such right to a hearing and to any
17 reconsideration, appeal, injunction, or other review that may be afforded under the Financial Code;
18 Administrative Procedure Act, including Government Code section 11415.60, subdivision (b); Code
19 of Civil Procedure; or any other provision of law. By waiving such rights, Easton effectively
20 consents to the finality of the Citation.

21 3. Agreement. The Commissioner agrees to stay the \$500.00 administrative fine
22 assessed in the Citation. If Easton fails to timely file any future annual reports or to timely pay an
23 annual assessment in compliance with Financial Code sections 22159 and 22107, respectively,
24 Easton agrees he must pay a \$500.00 fine in addition to any fines, fees, or penalties due as a result
25 of the late filing or payment.

26 4. Full and Final Resolution. This Settlement Agreement is intended to constitute a full
27 and final resolution of the matter described in it. The Commissioner will not bring any further
28 action or proceeding concerning the matter unless she discovers violations by Easton that do not

1 form the basis for this Settlement Agreement, including violations knowingly concealed from the
2 Commissioner.

3 5. Commissioner’s Duties. Nothing in this Settlement Agreement limits the
4 Commissioner’s ability to assist any other government agency with any action brought by that
5 agency against Easton, including an action based on any of the acts, omissions, or events described
6 in this Settlement Agreement.

7 6. Independent Advice. Each party represents that it has received independent advice
8 from its counsel or representatives regarding the advisability of executing this Settlement
9 Agreement.

10 7. Reliance. Each party represents that in executing this Settlement Agreement it has
11 relied solely on the statements in the Settlement Agreement and on the advice of its counsel or
12 representatives. Each party also represents that it has not relied on any statement or promise not
13 contained in this Settlement Agreement from any other person or on the failure of such person to
14 make a statement or promise. The parties have included this clause to preclude any claim that a
15 party was fraudulently induced to execute this Settlement Agreement.

16 8. Integration. This Settlement Agreement is the final written expression and the
17 complete and exclusive statement of all the agreements, conditions, promises, representations, and
18 covenants between the parties concerning its subject matter and supersedes all discussion regarding
19 such subject matter between the parties, their representatives, and any other person. The parties
20 have included this clause to preclude the introduction of parol evidence to vary, interpret,
21 supplement, or contradict the terms of this Settlement Agreement.

22 9. No Presumption Against Drafting Party. Each party acknowledges that it has had the
23 opportunity to draft, review, and edit the language of this Settlement Agreement. Accordingly, the
24 parties intend that no presumption for or against the drafting party will apply in construing any part
25 of this Settlement Agreement. The parties waive the benefit of Civil Code section 1654 as amended
26 or corresponding provisions of any successor statute, which provide that in cases of uncertainty,
27 language of a contract should be interpreted most strongly against the party that caused the
28 uncertainty to exist.

1 10. Waiver, Amendments, and Modifications. No waiver, amendment, or modification of
2 this Settlement Agreement will be valid or binding unless it is in writing and signed by all parties
3 affected by it. Waiver of a provision of this Settlement Agreement will not be deemed a waiver of
4 any other provision.

5 11. Headings. The headings in this Settlement Agreement are for convenience only and
6 do not affect its meaning.

7 12. Governing Law. This Settlement Agreement will be governed by and construed in
8 accordance with the laws of the State of California.

9 13. Authority to Sign. Each party represents that the person signing this Settlement
10 Agreement on its behalf has the authority and capacity to do so.

11 14. Voluntary Agreement. Easton enters into this Settlement Agreement voluntarily and
12 without coercion and acknowledges that no promises, threats, or assurances about this Settlement
13 Agreement have been made by the Commissioner or any of her officers or agents.

14 15. Counterparts. This Settlement Agreement may be executed in any number of
15 counterparts, each of which will be deemed an original when executed. All counterparts together
16 will be deemed to constitute a single document.

17 16. Signatures. A signature delivered by facsimile or electronic mail will be deemed an
18 original signature.

19 17. Effective Date. This Settlement Agreement will become effective on the date it is
20 signed by all parties and delivered by the Commissioner to Easton by electronic mail at
21 jack@ehomecapital.com.

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Dated: 2/9/18

JAN LYNN OWEN
Commissioner of Business Oversight

By: _____
MARY ANN SMITH
Deputy Commissioner

Dated: 2/9/18

JACK EASTON

By: _____
JACK EASTON