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

13	In the Matter of:)	CRMLA LICENSE NO.: 413-0488
14)	
15	THE COMMISSIONER OF BUSINESS)	STIPULATION TO REVOKE RESIDENTIAL
16	OVERSIGHT,)	MORTGAGE LENDER AND LOAN
17	Complainant,)	SERVICER LICENSE
18	v.)	
19)	
20	GFS CAPITAL HOLDINGS,)	
21	Respondent.)	
22)	
23)	

1 This Stipulation to revoke the residential mortgage lender and loan servicer license
2 (“Stipulation”) of GFS Capital Holdings (“GFS Capital”) is entered into between GFS Capital and
3 the Commissioner of Business Oversight (“Commissioner”) (collectively referred to herein as the
4 “Parties”), and is made with respect to the following facts:

5 **RECITALS**

6 A. GFS Capital is a residential mortgage lender and loan servicer licensed by the
7 Commissioner under the California Residential Mortgage Lending Act (“CRMLA”) (Fin. Code, §
8 50000 et seq.) since August 28, 2003.¹ Its principal place of business is located at 6499 Havenwood
9 Circle, Huntington Beach, California 92648. At all relevant times herein, Joann Q. Pham was the
10 director and chairman holding 100 percent ownership of GFS Capital.

11 B. The Commissioner has filed an Accusation to revoke the residential mortgage lender
12 and loan servicer license of GFS Capital (“Accusation”) captioned In the Matter of THE
13 COMMISSIONER OF BUSINESS OVERSIGHT, Complainant, v. GFS CAPITAL HOLDINGS,
14 Respondents, License No. 413-0488, OAH No. 2016030745 (hereinafter the “Action”). The Action
15 alleges GFS Capital violated provisions of the CRMLA and the regulations promulgated under title
16 10 of the California Code of Regulations (“CCR”), which regulate the business and activities of
17 residential mortgage lenders and servicers, as described in the Accusation.

18 C. It is the intention and desire of the Parties to resolve this matter without the necessity
19 of a hearing or other litigation.

20 **TERMS AND CONDITIONS**

21 1. This Stipulation is entered into for the purpose of judicial economy and expedience,
22 and to avoid the expense of a hearing, and possible further court proceedings.

23 2. GFS Capital agrees to the issuance of an order revoking its residential mortgage lender
24 and loan servicer license, CRMLA license no. 413-0488 (“Revocation Order”) under Financial Code
25 section 50327. The Revocation Order will be considered a final order. GFS Capital agrees that the
26 delivery by certified mail of the executed Order issued by the Commissioner to the address set forth

27 _____
28 ¹ The Commissioner initially issued the CRMLA license to Greenlight Financial Services. On September 11, 2013, the
Commissioner issued an order approving the licensee’s name change to GFS Capital Holdings.

1 in Paragraph A. above shall constitute valid service of the Revocation Order. A true and correct copy
2 of the Order is attached hereto and incorporated herein by reference as **Exhibit 1**.

3 3. GFS Capital acknowledges and waives its right to an administrative hearing under the
4 CRMLA in connection with the Commissioner’s notice of intent to issue order to revoke GFS
5 Capital’s residential mortgage lender and loan servicer license; the Administrative Procedure Act
6 (Govt. Code, § 11370 et seq.); the Code of Civil Procedure (Code of Civ. Proc., § 1 et seq.); or any
7 other provision of law in connection with this matter.

8 4. The Parties further acknowledge and agree that nothing contained in this Stipulation
9 shall operate to limit the Commissioner’s ability to assist any other agency (city, county, state or
10 federal) with any prosecution (administrative, civil, or criminal) brought by any such agency against
11 GFS Capital or any other person based on any of the activities alleged in these matters or otherwise.
12 Each of the Parties represents, warrants, and agrees that it has received independent advice from their
13 attorneys or representatives with respect to the advisability of executing this Stipulation.

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

23 6. This Stipulation is the final written expression and the complete and exclusive
24 statement of all agreements, conditions, promises, representations, and covenants between the Parties
25 with respect to the subject matter hereof, and supersedes all prior or contemporaneous agreements,
26 negotiations, representations, understandings, and discussions between and among the Parties, their
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1 respective representatives, and any other person or entity, with respect to the subject matter covered
2 by the Stipulation.

3 7. In that the Parties have had an opportunity to draft, review, and edit the language of
4 this Stipulation, no presumption for or against any party arising out of drafting all or any part of this
5 Stipulation will be applied in any action relating to, connected to, or involving this Stipulation.
6 Accordingly, the Parties waive the benefit of Civil Code section 1654 and any successor or amended
7 statute, providing that in cases of uncertainty, language of a contract should be interpreted most
8 strongly against the party who caused the uncertainty to exist.

9 8. GFS Capital enters into this Stipulation voluntarily and without coercion and
10 acknowledges that no promises, threats, or assurances have been made by the Commissioner or any
11 officer, or agent thereof, about this Stipulation.

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

15 10. Each signatory hereto covenants that he/she possesses all necessary capacity and
16 authority to sign and enter into this Stipulation.

17 11. The Parties agree that this Stipulation may be executed in one or more separate
18 counterparts, each of which, when so executed, shall be deemed an original. A facsimile or scanned
19 signature shall be deemed the same as an original signature. Such counterparts together constitute one
20 document.

21 12. This Stipulation shall not become effective until it is signed and delivered by all
22 Parties.

23 Dated: 8/26/16

JAN LYNN OWEN
Commissioner of Business Oversight

By: _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

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Dated: 8/26/16

GFS CAPITAL HOLDINGS

By: _____
JOANN Q. PHAM

APPROVED AS TO FORM:

By: _____
Val Stiefel,
Counsel for GFS Capital Holdings

JAN LYNN OWEN
Commissioner of Business Oversight

By: _____
MARLOU de LUNA
Senior Counsel
Enforcement Division