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7 Attorneys for Complainant

8 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
9 OF THE STATE OF CALIFORNIA

10
11 In the Matter of:) CRMLA LICENSE No.: 413-1180
)
12 THE COMMISSIONER OF BUSINESS) SETTLEMENT AGREEMENT
13 OVERSIGHT,)
)
14 Complainant,)
)
15 v.)
)
16 GMH MORTGAGE SERVICES LLC doing)
17 business as BESTRATEUSA,)
)
18 Respondent.)

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20 This Settlement Agreement is entered into between Respondent GMH Mortgage Services
21 LLC (GMH) and Complainant the Commissioner of Business Oversight (Commissioner), and is
22 made with respect to the following facts:

23 **RECITALS**

24 A. GMH is a corporation in good standing, duly formed and existing pursuant to the
25 laws of the State of Delaware, and authorized to do business in the State of California.

26 B. GMH holds a residential mortgage lender license issued by the Commissioner
27 pursuant to the California Residential Mortgage Lending Act (CRMLA) (Financial Code §50000
28 et seq.). GMH has its principal place of business located at 625 West Ridge Pike, Building C, Suite

1 100, Conshohocken, Pennsylvania 19428. GMH currently has two branch office locations under its
2 CRMLA license located in California and Virginia. GMH employs mortgage loan originators in its
3 CRMLA business.

4 C. The Department of Business Oversight (Department), through the Commissioner, has
5 jurisdiction over the licensing and regulation of persons and entities engaged in the business of
6 lending and/or servicing pursuant to the CRMLA, including mortgage loan originators.

7 D. On November 18, 2016, GMH was personally served by the Commissioner with a
8 Notice of Intention to Issue Order to Levy Penalties, Accusation and accompanying documents dated
9 November 14, 2016 (Accusation). The Accusation alleges that GMH has been engaging in the
10 business of servicing as a master servicer without proper licensure. On or about November 23,
11 2016, GMH filed a Notice of Defense with the Commissioner regarding the Accusation. A hearing
12 on the Accusation is currently scheduled for May 8 and 9, 2017 at the Los Angeles Office of
13 Administrative Hearings.

14 E. GMH has advised the Commissioner that, rather than contesting the Commissioner’s
15 accusations through administrative proceedings, GMH desires to resolve this matter informally and
16 cooperatively by way of settlement.

17 F. It is the intention and desire of the parties to resolve this matter without the necessity
18 of a hearing and/or other litigation.

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

21 **TERMS AND CONDITIONS**

22 1. Purpose. This Settlement Agreement is entered into for the purpose of judicial
23 economy and expediency, and to avoid the expense of a hearing, and possible further court
24 proceedings.

25 2. Penalties. GMH hereby agrees to pay to the Commissioner the sum of \$10,000.00 in
26 penalties concurrently with the execution of this Settlement Agreement. The payment shall be made
27 by certified check payable to the Department of Business Oversight and shall be sent to the
28

1 Department, attention, Accounting-Litigation, 1515 K Street, Suite 200, Sacramento, CA 95814-
2 4052.

3 3. Waiver of Hearing Rights. GMH acknowledges its right to an administrative hearing
4 under the CRMLA in connection with the Accusation and hereby waives that right to a hearing, and
5 to any reconsideration, appeal, or other rights which may be afforded pursuant to the CRMLA, the
6 California Administrative Procedure Act, the California Code of Civil Procedure, or any other
7 provision of law in connection with these matters.

8 4. Servicing Authority. The Commissioner hereby acknowledges that the mortgage loan
9 servicer application filed by GMH on or about June 29, 2016 is ready to be approved, and the
10 Commissioner hereby agrees to approve GMH’s residential mortgage loan servicer application upon
11 execution of this Settlement Agreement.

12 5. Information Willfully Withheld. This Settlement Agreement may be revoked and the
13 Commissioner may pursue any and all remedies available under law against GMH, if the
14 Commissioner later finds out that GMH knowingly or willfully withheld information used and relied
15 upon in this Settlement Agreement.

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

18 7. Third Party Action. This Settlement Agreement does not create any private rights or
19 remedies against GMH, create any liability for GMH or limit defenses of GMH for any person or
20 entity not a party to this Settlement Agreement.

21 8. Full and Final Settlement. The parties hereby acknowledge and agree that this
22 Settlement Agreement is intended to constitute a full, final and complete resolution of the allegations
23 contained in the Accusation up to and including the time the mortgage loan servicer application is
24 approved. However, the parties acknowledge and agree that nothing contained in this Settlement
25 Agreement shall operate to limit the Commissioner's ability to assist any other agency, (city, county,
26 state or federal) with any prosecution, administrative, civil or criminal, brought by any such agency
27 against GMH or any other person based upon any of the activities alleged in these matters or
28 otherwise.

1 9. Independent Legal Advice. Each of the parties represents, warrants, and agrees that it
2 has received independent advice from its attorney(s) and/or representatives with respect to the
3 advisability of executing this Settlement Agreement.

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

14 11. Full Integration. This Settlement Agreement is the final written expression and the
15 complete and exclusive statement of all the agreements, conditions, promises, representations, and
16 covenants between the parties with respect to the subject matter hereof, and supersedes all prior or
17 contemporaneous agreements, negotiations, representations, understandings, and discussions
18 between and among the parties, their respective representatives, and any other person or entity, with
19 respect to the subject matter covered hereby.

20 12. No Presumption from Drafting. In that the parties have had the opportunity to draft,
21 review and edit the language of this Settlement Agreement, no presumption for or against any party
22 arising out of drafting all or any part of this Settlement Agreement will be applied in any action
23 relating to, connected, to, or involving this Settlement Agreement. Accordingly, the parties waive
24 the benefit of California Civil Code section 1654 and any successor or amended statute, providing
25 that in cases of uncertainty, language of a contract should be interpreted most strongly against the
26 party who caused the uncertainty to exist.

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

14. Headings and Governing Law. The headings to the paragraphs of this Settlement Agreement are inserted for convenience only and will not be deemed a part hereof or affect the construction or interpretation of the provisions hereof.

15. Effective Date. This Settlement Agreement shall not become effective until signed and delivered by all parties.

16. Counterparts. This Settlement Agreement may be executed in one or more counterparts, each of which shall be an original but all of which, together, shall be deemed to constitute a single document. This Settlement Agreement may be executed by facsimile signature, and any such facsimile signature by any party hereto shall be deemed to be an original signature and shall be binding on such party to the same extent as if such facsimile signature were an original signature.

17. Settlement Authority. Each signatory hereto covenants that he/she possesses all necessary capacity and authority to sign and enter into this Settlement Agreement.

Dated: 4/18/17

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
MARY ANN SMITH
Deputy Commissioner

Dated: 4/17/17

GMH MORTGAGE SERVICES LLC

By _____
JAMES T. ASALI
Vice-President and General Counsel

APPROVED AS TO FORM:

BLANK ROME LLP

By _____
MICHAEL J. BARRY, ESQ. attorneys for
GMH MORTGAGE SERVICES LLC

1 Commissioner of Business Oversight

2 By _____

3 JUDY L. HARTLEY, ESQ.

4 Senior Counsel

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