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4 Department of Business Oversight
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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.: 413-0715
)
12 THE COMMISSIONER OF BUSINESS) SETTLEMENT AGREEMENT
13 OVERSIGHT,)
)
14 Complainant,)
)
15 v.)
)
16 MLD MORTGAGE, INC. doing business as)
17 THE MONEY STORE and MORTGAGE)
18 LENDING DIRECT,)
)
19 Respondent.)
20

21 This Settlement Agreement is entered into between Respondent MLD Mortgage, Inc. (MLD)
22 and Complainant the Commissioner of Business Oversight (Commissioner), and is made with
23 respect to the following facts:

24 **RECITALS**

- 25 A. MLD is a corporation in good standing, duly formed and existing pursuant to the laws
26 of the State of New Jersey, and authorized to do business in the State of California.
27 B. MLD holds a residential mortgage lender license issued by the Commissioner
28 pursuant to the California Residential Mortgage Lending Act ("CRMLA") (Financial Code §50000

1 et seq.). MLD has its principal place of business located at 30 B. Vreland Road, 3rd Floor, Florham
2 Park, New Jersey 07932. MLD currently has 6 branch office locations under its CRMLA license
3 located in California and elsewhere. MLD employs mortgage loan originators in its CRMLA
4 business.

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

8 D. On June 6, 2016, MLD was personally served by the Commissioner with a Notice of
9 Intention to Issue Order to Levy Penalties, Accusation and accompanying documents dated June 3,
10 2016 (“Accusation”). The Accusation alleges that MLD has been engaging in the business of
11 servicing as a master servicer without proper licensure. On or about June 16, 2016, MLD filed a
12 Notice of Defense with the Commissioner regarding the Accusation. A hearing on the Accusation is
13 currently scheduled for April 17 and 18, 2017 at the Los Angeles Office of Administrative Hearings.

14 E. MLD has advised the Commissioner that, rather than contesting the Commissioner’s
15 accusations through administrative proceedings, MLD 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. MLD hereby agrees to pay to the Commissioner the sum of \$30,000.00 in
26 penalties. Such penalties shall be paid in three installments of \$10,000.00. The first installment is
27 due and payable within 30 calendar days of the date of execution of this Settlement Agreement. The
28 second and third installments of \$10,000.00 each are due and payable within 60 and 90 calendar

1 days, respectively, of execution of this Settlement Agreement. The payments shall be made by
2 certified check payable to the Department of Business Oversight and shall be sent to the Department,
3 attention, Accounting-Litigation, 1515 K Street, Suite 200, Sacramento, CA 95814-4052. MLD
4 acknowledges that failure to timely pay any such installment shall cause the entire unpaid balance to
5 become immediately due and payable, and further agree that if payment of the entire unpaid balance
6 is not tendered to the Commissioner within five days after written notice of demand, the
7 Commissioner may, in addition to all other available remedies under the CRMLA, summarily
8 suspend the CRMLA licenses of MLD until payment is made in full. MLD waives any notice and
9 hearing rights to contest such summary suspensions which may be afforded under the CRMLA, the
10 California Administrative Procedure Act, the California Code of Civil Procedure, or any other
11 provision of law in connection therewith.

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

17 4. Servicing Authority. The Commissioner hereby acknowledges that the mortgage loan
18 servicer application filed by MLD on or about October 15, 2013 is ready to be approved, and the
19 Commissioner hereby agrees to approve MLD's residential mortgage loan servicer application upon
20 execution of this Settlement Agreement.

21 5. Information Willfully Withheld. This Settlement Agreement may be revoked and the
22 Commissioner may pursue any and all remedies available under law against MLD, if the
23 Commissioner later finds out that MLD knowingly or willfully withheld information used and relied
24 upon in this Settlement Agreement.

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

27 7. Third Party Action. This Settlement Agreement does not create any private rights or
28 remedies against MLD, create any liability for MLD or limit defenses of MLD for any person or

1 entity not a party to this Settlement Agreement.

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

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

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

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

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To the Commissioner: Judy L. Hartley, Esq.
Senior Corporations Counsel
Department of Business Oversight
320 W. 4th Street, Suite 750
Los Angeles, California 90013-2344
judy.hartley@dbo.ca.gov

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

Dated: 4/4/17 JAN LYNN OWEN
Commissioner of Business Oversight

By _____
MARY ANN SMITH
Deputy Commissioner

Dated: 3/31/17 MLD MORTGAGE, INC.

By _____
LAWRENCE DEAR, President

APPROVED AS TO FORM:
KREINER & KREINER LLC
By _____
SETH A. KREINER, ESQ. attorneys for
MLD MORTGAGE, INC.

Commissioner of Business Oversight

By _____
JUDY L. HARTLEY, ESQ.
Senior Counsel