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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.: 417-0047  
 )  
12 THE COMMISSIONER OF BUSINESS ) SETTLEMENT AGREEMENT  
13 OVERSIGHT, )  
 )  
14 Complainant, )  
 )  
15 v. )  
 )  
16 PARAMOUNT EQUITY MORTGAGE, LLC, )  
17 )  
 )  
18 Respondent. )  
19 )

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

23 **RECITALS**

24 A. Paramount is a limited liability company in good standing, duly formed and existing  
25 pursuant to the laws of the State of California.

26 B. Paramount holds a residential mortgage lender license issued by the Commissioner  
27 pursuant to the California Residential Mortgage Lending Act ("CRMLA") (Financial Code §50000  
28

1 et seq.). Paramount has its principal place of business located at 8781 Sierra College Boulevard,  
2 Roseville, California 95661. Paramount currently has 11 branch office locations under its CRMLA  
3 license located in California and elsewhere. Paramount employs mortgage loan originators in its  
4 CRMLA 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 May 13, 2016, Paramount was personally served by the Commissioner with a  
9 Notice of Intention to Issue Order to Levy Penalties, Accusation and accompanying documents dated  
10 May 11, 2016 (“Accusation”). The Accusation alleges that Paramount has been engaging in the  
11 business of servicing as a master servicer without proper licensure. On or about May 23, 2016,  
12 Paramount filed a Notice of Defense with the Commissioner regarding the Accusation. A hearing on  
13 the Accusation is currently scheduled for November 7 and 8, 2016 at the Sacramento Office of  
14 Administrative Hearings.

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

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

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

22 **TERMS AND CONDITIONS**

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

25 2. Paramount hereby agrees to pay to the Commissioner the sum of \$54,445.00 in  
26 penalties upon execution of this Settlement Agreement.

27 3. Paramount acknowledges its right to an administrative hearing under the CRMLA in  
28 connection with the Accusation and hereby waives that right to a hearing, and to any

1 reconsideration, appeal, or other rights which may be afforded pursuant to the CRMLA, the  
2 California Administrative Procedure Act, the California Code of Civil Procedure, or any other  
3 provision of law in connection with these matters.

4         4.         The Commissioner hereby acknowledges that the mortgage loan servicer application  
5 filed by Paramount on or about July 31, 2013 is ready to be approved, and the Commissioner hereby  
6 agrees to approve Paramount’s residential mortgage loan servicer application upon execution of this  
7 Settlement Agreement. The Commissioner further agrees to update NMLS to show that Paramount  
8 is renewed through 2016.

9         5.         This Settlement Agreement may be revoked and the Commissioner may pursue any  
10 and all remedies available under law against Paramount, if the Commissioner later finds out that  
11 Paramount knowingly or willfully withheld information used and relied upon in this Settlement  
12 Agreement.

13         6.         This Settlement Agreement is binding on all heirs, assigns and/or successors in  
14 interest.

15         7.         This Settlement Agreement does not create any private rights or remedies against  
16 Paramount, create any liability for Paramount or limit defenses of Paramount for any person or entity  
17 not a party to this Settlement Agreement.

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

25         9.         Each of the parties represents, warrants, and agrees that it has received independent  
26 advice from its attorney(s) and/or representatives with respect to the advisability of executing this  
27 Settlement Agreement.

28

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

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

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

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

27           14. This Settlement Agreement shall not become effective until signed and delivered by  
28 all parties.

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

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

8  
9           Dated: 10/18/16                               JAN LYNN OWEN  
10   Commissioner of Business Oversight  
11   By \_\_\_\_\_  
12   MARY ANN SMITH  
13   Deputy Commissioner

14           Dated: 10/13/16                               PARAMOUNT EQUITY MORTGAGE, LLC  
15  
16   By \_\_\_\_\_  
17   MICHAEL BERTE, President

18  
19           APPROVED AS TO FORM:  
20           MEYER BROWN LLP  
21  
22           By \_\_\_\_\_  
23           JONATHAN D. JAFFE, ESQ. attorneys for  
24           PARAMOUNT EQUITY MORTGAGE, LLC  
25           Commissioner of Business Oversight  
26  
27           By \_\_\_\_\_  
28           JUDY L. HARTLEY, ESQ.  
              Senior Counsel