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

10 In the Matter of:) CRMLA LICENSE NO.: 413-1017
11 THE COMMISSIONER OF BUSINESS)
12 OVERSIGHT,) CONSENT ORDER
13 Complainant,)
14 v.)
15 MOUNT OLYMPUS MORTGAGE)
16 COMPANY, doing business as MOMCO, INC.)
and TRU MORTGAGE)
17 Respondent.)

18 This Consent Order is entered into between the Commissioner of Business Oversight
19 (Commissioner) and Mount Olympus Mortgage Company, doing business as MOMCo, Inc. and Tru
20 Mortgage, (the Parties) and is made with respect to the following facts:

21 **Recitals**

22 A. Mount Olympus Mortgage Company (MOMCo), a California corporation, is a
23 residential mortgage lender licensed by the Commissioner pursuant to the California Residential
24 Mortgage Lending Act (CRMLA) (California Financial Code section 50000 et seq.), under license
25 number 413-1017 since June 24, 2009. MOMCo had its principal place of business located at 2600
26 Michelson Drive, Suite 600, Irvine, CA 92612.

27 B. The Department of Business Oversight (Department), through the Commissioner, has
28 jurisdiction over the licensing and regulation of persons and entities engaged in the business of

1 lending and/or servicing pursuant to the CRMLA.

2 C. MOMCo is also a corporation licensed by the Department of Real Estate pursuant to
3 the Real Estate Law (California Business and Professions Code section 10000 et seq.), under license
4 number 01835547.

5 D. After December 31, 2015, MOMCo did not originate or service any mortgage loans
6 under its CRMLA license. Instead, after December 31, 2015, MOMCo originated and serviced
7 mortgage loans under its Real Estate Law license.

8 E. MOMCo submitted a license surrender request expressing its interest in surrendering
9 its CRMLA license to the Department on or about October 14, 2016.

10 F. MOMCo’s license surrender request was not accepted by the Commissioner because
11 the Department maintains that pending issues needed to be resolved before the license surrender
12 request could be accepted. The pending issues included that the Commissioner maintained that
13 MOMCo was in violation of Financial Code section 50120, subdivision (c), and section 50130,
14 subdivision (c), because MOMCo made or serviced loans secured by real property pursuant to its
15 Real Estate Law license while MOMCo also held a CRMLA license.

16 G. Financial code section 50120, subdivision (c), states: “A licensee may not make or
17 service residential mortgage loans secured by real property pursuant to the authority of a license, or
18 an exemption from licensure, under the Real Estate Law.”

19 H. Financial code section 50130, subdivision (c), states: “A licensee may not make or
20 service loans secured by real property pursuant to the authority of a license or exemption from
21 licensure, under the Real Estate Law.”

22 I. It is the intention and desire of the Parties to resolve this matter without the necessity
23 of a hearing and/or other litigation.

24 NOW, THEREFORE, the Parties are willing to resolve the matters cited herein as follows:

25 **Terms and conditions**

26 1. Purpose. This Consent Order is intended to resolve any pending issues between the
27 Parties in a manner that avoids the expense of a hearing, and possible further court proceedings, is in
28 the public interest, protects consumers, and is consistent with the purposes, policies, and provisions

1 of the CRMLA.

2 2. Order Regarding Financial Code Compliance. Pursuant to Financial Code section
3 50321, MOMCo agrees not to engage in violations of Financial Code section 50120, subdivision (c),
4 and section 50130, subdivision (c).

5 3. Finality of Consent Order. MOMCo agrees to comply with the Consent Order and
6 stipulates to this Consent Order becoming final.

7 4. Waiver of Hearing Rights. MOMCo acknowledges its right to a hearing, and to any
8 reconsideration, appeal, or other right to review which may be afforded pursuant to the CRMLA.
9 MOMCo further expressly waives any requirement for the filing of an Accusation that may be
10 afforded by Government Code section 11415.60, subdivision (b), the California Administrative
11 Procedure Act, the California Code of Civil Procedure, or any other provision of law; and by
12 waiving such rights, MOMCo effectively consents to this Order becoming final.

13 5. Waiver of Judicial Review. MOMCo waives its rights to seek judicial review or
14 otherwise challenge or contest in any court or tribunal outside the DBO the validity or effectiveness
15 of this Order.

16 6. Information Willfully Withheld. This Consent Order may be revoked and the
17 Commissioner may pursue any and all remedies available under law against MOMCo if the
18 Commissioner later discovers that MOMCo knowingly or willfully withheld information used for
19 and relied upon in this Consent Order.

20 7. Binding. The Parties agree this Consent Order is binding on the Parties, as well as
21 their successors in interest and assigns, but it specifically does not bind any federal or other state
22 agencies or any law enforcement authorities.

23 8. Full and Final Settlement and Release. The Parties hereby acknowledge and agree
24 that this Consent Order is intended to constitute a full, final, and complete resolution of any and all
25 claims by both Parties. No further proceedings or actions will be brought by the Commissioner in
26 connection with these matters, except an action as specified in paragraph 6. With respect to any
27 further allegations or actions, MOMCo reserves all rights under applicable law, unless otherwise
28 waived in the Consent Order. The Parties acknowledge and agree that nothing contained in this

1 Consent Order shall operate to limit the Commissioner’s ability to assist any other agency (city,
2 county, state or federal) with any prosecution, administrative, civil or criminal, brought by any such
3 agency against MOMCo or any other person, based upon any of the activities alleged in these
4 matters or otherwise. Each Party mutually releases and discharges the other from any and all claims,
5 demands, causes of action, obligations and liabilities of every kind and nature whatsoever which
6 each of the Parties had, or claims to have had, or now has, against the other (including but not
7 limited to claims against individual executives, officers, directors, agents, appointees, representatives
8 and/or employees of each Party), except those the Parties have specifically reserved and that are
9 expressly identified in this Consent Order.

10 9. License Surrender. Upon the effective date of this Consent Order, the Department
11 agrees that it will not unduly delay processing of MOMCo’s license surrender request and will notify
12 MOMCo in writing of acceptance of the license surrender.

13 10. Independent Legal Advice. Each of the Parties represents, warrants, and agrees that it
14 has received independent advice from its attorney(s) and/or representatives with respect to the
15 advisability of executing this Consent Order.

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

25 12. No Presumption from Drafting. In that the Parties have had the opportunity to draft,
26 review and edit the language of this Consent Order, no presumption for or against any party arising
27 out of drafting all or any part of this Consent Order will be applied in any action relating to,
28 connected to, or involving this Consent Order. Accordingly, the Parties waive the benefit of Civil

1 Code section 1654 and any successor or amended statute, providing that in cases of uncertainty,
2 language of a contract should be interpreted most strongly against the party who caused the
3 uncertainty to exist.

4 13. Waiver, Modification, and Qualified Integration. The waiver of any provision of this
5 Consent Order shall not operate to waive any other provision set forth herein. No waiver,
6 amendment, or modification of this Consent Order shall be valid or binding to any extent unless it is
7 in writing and signed by all of the parties affected by it.

8 14. Headings and Governing Law. The headings to the paragraphs of this Consent Order
9 are inserted for convenience only and will not be deemed a part hereof or affect the construction or
10 interpretation of the provisions hereof. This Consent Order shall be construed and enforced in
11 accordance with and governed by California law.

12 15. Execution. The Consent Order may be executed in one or more counterparts, each of
13 which shall be an original but all of which, together, shall be deemed to constitute a single
14 document. A fax signature shall be deemed the same as an original signature.

15 16. Settlement Authority. Each signatory represents and warrants that he/she possesses
16 the necessary capacity and authority to execute this Consent Order and bind the Parties.

17 17. Effective Date. This Consent Order shall not become effective until signed by all
18 parties and delivered by the Commissioner’s counsel by email to counsel for MOMCo.

19 Dated: November 5, 2018

20
21 JAN LYNN OWEN
22 Commissioner of Business Oversight

23 BY: _____
24 Mary Ann Smith, Deputy Commissioner

25 Dated: November 1, 2018

26 MOUNT OLYMPUS MORTGAGE COMPANY

27 BY: _____
28 Michael T. Arnall, President

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APPROVED AS TO FORM:

Alex M. Calero
Counsel for the Department

Chad S. Hummel, Sidley Austin LP
Counsel for Mount Olympus Mortgage Company