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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.: 413-1223
12) NMLS NO.: 252108
13 THE COMMISSIONER OF BUSINESS)
OVERSIGHT,)
14)
Complainant,) CONSENT ORDER
15 v.)
16)
VERITAS FUNDING, LLC.,)
17)
Respondent.)
18)
19)

20 The Commissioner of Business Oversight (Commissioner) and Veritas Funding, LLC
21 (together, the Parties) enter this Consent Order with respect to the following facts:

22 **I.**
23 **Recitals**

24 A. The Commissioner has jurisdiction over the licensing and regulation of persons and
25 entities engaged in the business of lending and servicing residential mortgage loans pursuant to the
26 California Residential Mortgage Lending Act (CRMLA) (Fin. Code § 50000 et seq.).

27 B. Veritas Funding, LLC is a limited liability company formed and existing under the laws
28 of the State of Utah and authorized to do business in California. Veritas Funding, LLC is a

1 residential mortgage lender licensed by the Commissioner since July 17, 2013 (CRMLA License No.
2 413-1223). Veritas Funding, LLC has its principal place of business located at 7050 South Union
3 Park Avenue, Suite 400, Midvale, Utah 84047.

4 C. Timothy Roush is the Chief Executive Officer and a control person of Veritas Funding,
5 LLC and, as such, is authorized to enter into this Consent Order on Veritas Funding, LLC’s behalf.

6 D. Pursuant to Financial Code section 50302, the Commissioner is required to examine the
7 records, documents and affairs of each licensee under the CRMLA to ensure compliance with the
8 law.

9 E. On or about July 14, 2017, the Commissioner commenced a routine regulatory
10 examination of Veritas Funding, LLC through DBO examination staff (2017 Exam). Veritas
11 Funding, LLC produced all documents and other information in a timely manner.

12 F. As a result of the 2017 Exam, the Commissioner concluded that Veritas Funding, LLC
13 obtained California Additional Per Diem Interest Charge Disclosure forms from customers in which
14 the space to list the amount of additional per diem interest charged to facilitate the loan disbursement
15 on a Monday (or the day following a bank holiday, if applicable) was left blank.

16 G. The Commissioner concluded that by obtaining signed California Additional Per Diem
17 Interest Charge Disclosure forms in which the additional per diem interest charged was left blank,
18 Veritas Funding, LLC obtained or induced an agreement or other instrument in which blanks were
19 left to be filled in after execution, in violation of Financial Code section 50204(e).

20 H. It is the intention and desire of the Parties to resolve this matter without the necessity of a
21 hearing and/or other litigation.

22 I. The Commissioner finds that this action is appropriate, in the public interest, and
23 consistent with the purposes fairly intended by the policies and provisions of this law.

24 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set
25 forth herein, the Parties agree as follows:

26 **II.**
27 **Terms and Conditions**

28 1. Purpose. The purpose of this Consent Order is to resolve the Commissioner’s investigation

1 into the violation of Financial Code section 50204, subdivision (e), discovered during her
2 examination of Veritas Funding, LLC in a manner that avoids the expense of court proceedings and
3 a hearing, is in the public interest, protects consumers, and is consistent with the purposes, policies,
4 and provisions of the CRMLA.

5 2. Finality of Consent Order. Veritas Funding, LLC hereby agrees to comply with this
6 Consent Order and, further, stipulates that this Consent Order is hereby deemed a final and
7 enforceable order issued pursuant to the Commissioner’s authority under Financial Code section
8 50321.

9 3. Order to Discontinue. Veritas Funding, LLC stipulates that in accordance with Financial
10 Code section 50321, Veritas Funding, LLC will immediately discontinue and desist and refrain from
11 the violations set forth herein.

12 4. Waiver of Hearing Rights. Veritas Funding, LLC acknowledges that the Commissioner is
13 ready, willing, and able to proceed with the filing of an Enforcement Action on the charges
14 contained in this Consent Order, and Veritas Funding, LLC hereby waives the right to a hearing, and
15 to any reconsideration, appeal, or other right to review which may be afforded pursuant to the
16 CRMLA. Veritas Funding, LLC further expressly waives any requirement for the filing of an
17 Accusation that may be afforded by Government Code section 11415.60, subdivision (b), the
18 Administrative Procedure Act, the Code of Civil Procedure, or any other provision of law; and by
19 waiving such rights, Veritas Funding, LLC effectively consents to this Consent Order becoming
20 final.

21 5. Effect of Consent Order on License. In consideration of Veritas Funding, LLC’s
22 agreement to the entry of this Consent Order, the Commissioner hereby agrees that except as set
23 forth in this Consent Order, she shall not suspend the residential mortgage lender or servicer license
24 of Veritas Funding, LLC or take any further action based on violations of the code provisions cited
25 in this order or any other findings noted in the above-described routine examination of Veritas
26 Funding, LLC. Accordingly, this Consent Order does not affect the licensing status of Veritas
27 Funding, LLC.

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1 6. Full and Final Settlement. The Parties hereby acknowledge and agree that this Consent
2 Order is intended to constitute a full, final, and complete resolution of the violations described herein
3 and that no further proceedings or actions will be brought by the Commissioner in connection with
4 these matters either under the CRMLA, or any other provision of law, excepting therefrom any
5 proceeding to enforce compliance with the terms of this Consent Order, or a proceeding or action
6 based upon discovery of new and further violations of the CRMLA which do not form the basis for
7 this Consent Order or which Veritas Funding, LLC knowingly concealed from the Commissioner.

8 7. Binding. This Consent Order is binding on all the Parties’ heirs, assigns, and/or successors
9 in interest.

10 8. Commissioner’s Duties. The Parties further acknowledge and agree that nothing contained
11 in this Consent Order shall operate to limit the Commissioner’s ability to assist any other agency
12 (city, county, state or federal) with any prosecution, administrative, civil or criminal, brought by any
13 such agency against Veritas Funding, LLC or any other person based upon any of the activities
14 alleged in these matters or otherwise.

15 9. Future Actions by Commissioner. This Consent Order may be revoked, and the
16 Commissioner may pursue any and all remedies available under law against Veritas Funding, LLC if
17 the Commissioner later discovers that Veritas Funding, LLC knowingly or willfully withheld
18 information used for and relied upon in this Consent Order. Further, Veritas Funding, LLC agrees
19 that this Consent Order does not resolve any penalties that may be assessed by the Commissioner
20 upon discovery of new and further violations of the CRMLA.

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

24 11. Counterparts. The Parties agree that this Consent Order may be executed in one or more
25 separate counterparts, each of which when so executed, shall be deemed an original. Such
26 counterparts shall together constitute and be one and the same instrument.

27 12. Waiver, Modification, and Qualified Integration. The waiver of any provision of this
28 Consent Order shall not operate to waive any other provision set forth herein. No waiver,

1 amendment, or modification of this Consent Order shall be valid or binding to any extent unless it is
2 in writing and signed by all of the Parties affected by it.

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

7 14. Full Integration. Each of the Parties represents, warrants, and agrees that in executing
8 this Consent Order it has relied solely on the statements set forth herein and the advice of its own
9 counsel. Each of the Parties further represents, warrants, and agrees that in executing this Consent
10 Order it has placed no reliance on any statement, representation, or promise of any other party, or
11 any other person or entity not expressly set forth herein, or upon the failure of any party or any other
12 person or entity to make any statement, representation or disclosure of anything whatsoever. The
13 Parties have included this clause: (a) to preclude any claim that any party was in any way
14 fraudulently induced to execute this Consent Order; and (b) to preclude the introduction of parol
15 evidence to vary, interpret, supplement, or contradict the terms of this Consent Order.

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

22 16. Voluntary Agreement. Veritas Funding, LLC enters this Consent Order voluntarily and
23 without coercion and acknowledges that no promises, threats or assurances have been made by the
24 Commissioner or any officer, or agent thereof, about this Consent Order.

25 17. Effective Date. This Consent Order shall not become effective until signed by all Parties
26 and delivered by the Commissioner’s counsel by email to Veritas Funding, LLC counsel: Mr. Bryant
27 Brown (bbrown@vfund.com).

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18. Public Record. Respondent acknowledges that this Consent Order is a public record.

19. Authority to Execute. Each signatory hereto covenants that he/she possesses all necessary capacity and authority to sign and enter this Consent Order.

IN WITNESS WHEREOF, the Parties have approved and executed this Consent Order on the dates set forth opposite their respective signatures.

Dated: 3/4/19

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

Dated: 3/4/19

VERITAS FUNDING, LLC

By _____
TIMOTHY ROUSH
Chief Executive Officer

APPROVED AS TO FORM AND CONTENT:

BRYANT BROWN, ESQ.