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Deputy Commissioner
2 DANIEL P. O'DONNELL
Assistant Chief Counsel
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4 Department of Business Oversight
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8 Attorneys for Complainant

10 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
11 OF THE STATE OF CALIFORNIA

12 In the Matter of:) CRMLA License No.: 413-1245
13 THE COMMISSIONER OF BUSINESS)
14 OVERSIGHT,) CONSENT ORDER
15 Complainant,)
16 v.)
17 LONGBRIDGE FINANCIAL, LLC,)
18 Respondent.)
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21 The Commissioner of Business Oversight (Commissioner), and Longbridge Financial, LLC
22 (Longbridge) (collectively, the Parties), enter into this Consent Order with respect to the following
23 facts:

24 **RECITALS**

25 A. Longbridge is a residential mortgage lender licensed by the Commissioner since July 12, 2013
26 pursuant to the California Residential Mortgage Lending Act (Fin. Code, § 50000 et seq.) (CRMLA).
27 Longbridge has its principal place of business located at One International Boulevard, Suite 900,
28 Mahwah, New Jersey 07495. Longbridge employs mortgage loan originators in its CRMLA business.

1 B. On January 12, 2017, the Department of Business Oversight (Department) posted a licensing
2 item on the Nationwide Mortgage Licensing System and Registry (NMLS) requesting that
3 Longbridge submit an Application for Change of License Authority in order to add mortgage loan
4 servicing authority to its CRMLA license. On March 13, 2017, Longbridge submitted the requested
5 materials in order to add servicing authority under the CRMLA. The materials requested for
6 servicing authority have been pending with the Department. At all times Longbridge believed and
7 believes that it was and is in full compliance with the CRMLA and Departmental requirements and
8 requests.

9 C. During a regulatory examination that commenced on September 15, 2017, the Department
10 confirmed that Longbridge acts as a master servicer (while delegating its duties to a licensed
11 subservicer to perform all day-to-day servicing functions on such loans), which the Department
12 considers to constitute engaging in the business of servicing loans without a license, in violation of
13 Financial Code section 50002, subdivision (a).

14 D. The Department, through the Commissioner, has jurisdiction over the licensing and regulation
15 of persons and entities engaged in the business of lending and/or servicing pursuant to the CRMLA,
16 including mortgage loan originators.

17 E. It is the intention and desire of the Parties to resolve this Action without the necessity of a
18 hearing and/or other litigation.

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

21 **TERMS AND CONDITIONS**

22 1. Purpose. This Consent Order resolves the issues before the Commissioner concerning
23 unlicensed servicing activity by Longbridge set forth in paragraph C, above, in a manner that avoids
24 the expense of a hearing and other possible court proceedings, protects consumers, is in the public
25 interest, and is consistent with the purposes, policies, and provisions of the CRMLA.

26 2. Order to Discontinue Violations. Longbridge agrees that in accordance with Financial
27 Code section 50321, it will immediately discontinue any violations set forth herein.

28 3. Final Order to Discontinue. Longbridge agrees that the Order to Discontinue

1 Violations as described in Paragraph 2 above is hereby deemed a final order.

2 4. Administrative Fee. Longbridge agrees to pay an administrative fee of \$40,000.00
3 (the “Fee”) to cover examination and investigation costs and attorney’s fees. The Fee shall be paid to
4 the Commissioner within 30 days of the Effective Date of this Consent Order as defined in paragraph
5 25. The payment shall be made payable in the form of a cashier’s check or Automated Clearing
6 House deposit to the “Department of Business Oversight,” and transmitted to the attention of:

7 Attn: Accounting – Litigation
8 The Department of Business Oversight
9 1515 K Street, Suite 200
Sacramento, California 95814

10 Notice of payment shall be sent to:

11 Timothy L. Le Bas, Senior Counsel
12 Department of Business Oversight
13 Enforcement Division
14 1515 K Street, Suite 200
Sacramento, California 95814

15 In the event the payment due date falls on a weekend or holiday, the payment shall be due the
16 next business day.

17 5. Approval of Application. The Commissioner hereby acknowledges that the mortgage
18 loan servicer application filed by Longbridge is ready to be approved, and the Commissioner hereby
19 agrees to approve the application concurrently with the execution of this Consent Order.

20 6. Waiver of Hearing Rights: Longbridge acknowledges the Commissioner is ready,
21 willing, and able to proceed with the filing of an administrative enforcement action on the charges
22 contained in this Consent Order. Longbridge hereby waives the right to any hearings, and to any
23 reconsideration, appeal, or other right to review which may be afforded pursuant to the CRMLA, the
24 California Administrative Procedure Act, the California Code of Civil Procedure, or any other
25 provision of law. Longbridge further expressly waives any requirement for the filing of an
26 Accusation pursuant to Government Code section 11415.60, subdivision (b). By waiving such rights,
27 Longbridge effectively consents to this Consent Order and Order to Discontinue Violations becoming
28 final.

1 7. Full and Final Settlement: The Parties hereby acknowledge and agree that this
2 Consent Order is intended to constitute a full, final and complete resolution of the matters addressed
3 herein, and that no further proceedings or actions will be brought by the Commissioner in connection
4 with these matters under any other provision of law, excepting therefrom any proceeding to enforce
5 compliance with the terms of this Consent Order.

6 8. Failure to Comply with Consent Order. Longbridge agrees that if it fails to comply
7 with the terms of this Consent Order, the Commissioner may, in addition to all other available
8 remedies it may invoke under the CRMLA, summarily suspend/revoke the CRMLA licenses of
9 Longbridge until Longbridge is in compliance. Longbridge waives any notice and hearing rights to
10 contest such summary suspensions which may be afforded under the CRMLA, the California
11 Administrative Procedure Act, the California Code of Civil Procedure, or any other provision of law
12 in connection therewith.

13 9. Third Party Actions. It is the intent and understanding between the parties that this
14 Consent Order does not create any private rights or remedies against Longbridge or create any
15 liability for Longbridge or limit defenses of Longbridge for any person or entity not a party to this
16 Agreement.

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

21 11. Future Actions by Commissioner. If Longbridge fails to comply with any terms of the
22 Consent Order, the Commissioner may institute proceedings for any and all violations otherwise
23 resolved under this Consent Order. The Commissioner reserves the right to bring any future actions
24 against Longbridge, or any of its partners, owners, officers, shareholders, directors, employees or
25 successors for any and all unknown violations of the CRMLA.

26 12. Assisting Other Agencies. Nothing in this Consent Order limits the Commissioner's
27 ability to assist any other government agency (city, county, state, or federal) with any prosecution,
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1 administrative, civil or criminal brought by that agency against Longbridge or any other person based
2 upon any of the activities alleged in this matter or otherwise.

3 13. Independent Legal Advice. Each of the parties represents, warrants, and agrees that it
4 has received or been advised to seek independent legal advice from its attorneys with respect to the
5 advisability of executing this Consent Order.

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

15 15. Full Integration. This Consent Order is the final written expression and the complete
16 and exclusive statement of all the agreements, conditions, promises, representations, and covenants
17 between the Parties with respect to the subject matter hereof, and supersedes all discussions between
18 and among the Parties, their respective representatives, and any other person or entity, with respect to
19 the subject matter covered hereby.

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

27 17. Voluntary Consent. Longbridge enters into this Consent Order voluntarily and
28 without coercion and acknowledges that no promises, threats or assurances have been made by the

1 Commissioner or any officer, or agent thereof, about this Consent Order. The Parties each represent
2 and acknowledge that he, she or it is executing this Consent Order completely voluntarily and without
3 any duress or undue influence of any kind from any source.

4 18. Modifications and Qualified Integration. No amendment, change or modification of
5 this Consent Order shall be valid or binding in any extent unless it is in writing and signed by all of
6 the parties affected by it.

7 19. Waiver. The waiver of any provision of this Consent Order shall not operate to waive
8 that provision in the future, or waive any other provision set forth herein, and any waiver, amendment
9 and/or change to the terms of this Consent Order must be in writing and signed by the parties affected
10 by it.

11 20. Successors in Interest. This Consent Order is binding on all heirs, assigns and/or
12 successors in interest.

13 21. Counterparts. This Consent Order may be executed in any number of counterparts by
14 the Parties, and when each party has signed and delivered at least one such counterpart to the other
15 party, each counterpart shall be deemed an original and taken together shall constitute one and the
16 same Consent Order.

17 22. Signatures. This Consent Order may be executed by facsimile or scanned signature,
18 and any such facsimile or scanned signature by any party hereto shall be deemed to be an original
19 signature and shall be binding on such party to the same extent as if such facsimile or scanned
20 signature were an original signature.

21 23. Governing Law. This Consent Order shall be construed and enforced in accordance
22 with and governed by California law.

23 24. Public Record. Longbridge hereby acknowledges that this Consent Order will be a
24 matter of public record.

25 25. Notice. Any notices required under this Consent Order shall be provided to each party
26 at the following addresses:

27 If to Respondent to: Longbridge Financial, LLC.
28 Attn: Christopher Mayer, CEO
One International Boulevard, Suite 900

1 Mahwah, New Jersey 07495

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3 If to Complainant to: Department of Business Oversight
4 Attn: Timothy L. Le Bas, Senior Counsel
5 1515 K Street, Suite 200
6 Sacramento, California 95814

7 26. Effective Date. This Consent Order shall not become effective until signed by all
8 parties and delivered to Longbridge by Department Senior Counsel Timothy L. Le Bas emailing the
9 signed Consent Order to Aldys London at London@thewbkfirm.com.

10 27. Authority to Sign. Each party warrants and represents that such party is fully entitled
11 and duly authorized to enter into, sign and deliver this Consent Order. In particular, and without
12 limiting the generality of the foregoing, each party warrants and represents that it is fully entitled to
13 enter into the covenants, and undertake the obligations set forth herein.

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Dated: June 12, 2019

MANUEL P. ALVAREZ
Commissioner of Business Oversight

By: _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

Dated: June 12, 2019

LONGBRIDGE FINANCIAL, LLC

By: _____
CHRISTOPHER MAYER
Chief Executive Officer

APPROVED AS TO FORM AND CONTENT:

Dated: June 12, 2019

By _____
Aldys London, Esq.
Weiner Brodsky Kider PC
Counsel for Longbridge Financial, LLC