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5 San Francisco, California 94104-4448  
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7 Attorneys for the Complainant

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

11 In the Matter of: ) NMLS NO.: 1718831  
)  
12 THE COMMISSIONER OF BUSINESS ) **CONSENT ORDER**  
OVERSIGHT, )  
13 )  
14 Complainant, )  
)  
15 v. )  
)  
16 PETER CHA, )  
17 )  
18 Respondent. )  
\_\_\_\_\_)

19  
20 This Consent Order (Order) is entered between the Commissioner of Business Oversight  
21 (Commissioner) and Peter Cha (Cha) and is made 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/or servicing residential mortgage loans pursuant to  
26 the California Finance Lender Law (CFL) (Fin. Code, §22000 et seq.).

27 B. On or about April 13, 2018, Cha filed an application for a MLO license with the  
28 Commissioner by submitting a Form MU4 through the Nationwide Mortgage System and  
Registry (NMLS) pursuant to section 1422.6 of Title 10 of the California Code of Regulations

1 (Application).

2 C. The Commissioner evaluated the application and requested additional information  
3 and documentation regarding prior criminal convictions. After reviewing the additional materials  
4 and information submitted by Cha, the Commissioner served a Notice of Intent to Deny the  
5 Application and supporting materials.

6 D. Upon receipt of the Notice of Intent to Deny the Application for a Mortgage Loan  
7 Originator license, Cha requested a hearing.

8 E. It is the intention and desire of the parties to resolve this matter without the necessity  
9 of a hearing and/or other litigation.

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

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

14 **II.**

15 **TERMS AND CONDITIONS**

16 1. Purpose. This Consent Order resolves the issues before the Commissioner in a  
17 manner that avoids the expense of a hearing and other possible court proceedings, protects  
18 consumers, is in the public interest, and is consistent with the purposes and provisions of the CFL.

19 2. Issuance of MLO License and Conditions for Issuance of License: The  
20 Commissioner will issue a Mortgage Loan Originator License pursuant to Financial Code section  
21 22105(a) (MLO License). In consideration for the issuance of the MLO license, Cha agrees to  
22 withdraw his request for an administrative hearing made on or around December 11, 2018. Cha also  
23 hereby understands and agrees that retention of the MLO License is predicated on Cha's  
24 compliance with and/or performance of the following duties, requirements, and restrictions:

- 25 (a) Continuing Education: Cha shall take at least eight (8) hours of continuing  
26 education offered by an NMLS approved vendor annually for a period of two years,  
27 commencing on January 1, 2020;

1 (b) Ethics: Cha agrees that, in addition to the above-referenced continuing  
2 education, he will complete a two-hour ethics course approved by the  
3 Commissioner;

4 (c) Employment Disclosure: Cha shall disclose to any prospective or current  
5 employer in or associated with the real estate, mortgage, financial lending, and  
6 banking industries that the issuance of the MLO License is predicated on compliance  
7 with the terms of this Agreement for the period of two (2) years from the effective  
8 date of this Agreement. Cha hereby agrees to submit proof of that disclosure in the  
9 Compliance Report.

10 (d) Compliance and Quarterly Reports: Cha further agrees to remain in  
11 compliance with all laws, rules and regulations and will submit quarterly reports  
12 of this compliance with the Commissioner. Respondent agrees to submit proof of  
13 compliance with this Agreement (“Compliance Report”) annually to the  
14 Department of Business Oversight, attention William Horsey, Esq., One Sansome  
15 Street, Suite 600, San Francisco, CA 94104. Respondent shall submit the reports  
16 to the Department by way of first-class United States mail. Compliance Reports  
17 are due within six months of the effective date of this order and every six months  
18 thereafter. Reports shall contain the following:

- 19 i. Proof of continuing education classes completed.
- 20 ii. Proof of payment of the Administrative Costs.
- 21 iii. Proof of disclosure of this Agreement to prospective and current  
22 employers in or associated with the real estate, mortgage, financial lending, and  
23 banking industries.
- 24 iv. Proof that Cha, if employed as an MLO, is under the supervision  
25 and control of a licensee.
- 26 v. Report any arrest or conviction of any misdemeanor or felony.
- 27 vi. Report any action taken by any state or federal regulator against  
28 Cha alleging Cha violated or is violating any provision of the CRMLA, California

1 Finance Lender Law, or any other state or federal law in his employment as a  
2 mortgage loan originator. Failure to report on the above list of issues or failure to  
3 disclose any item listed above will constitute a violation of this Agreement, and

4 3. Waiver of Hearing Rights. Cha acknowledges that the Commissioner is ready,  
5 willing, and able to proceed with the filing of an administrative enforcement action on the charges  
6 contained in this Order, and Cha hereby waives the right to a hearing and to any reconsideration,  
7 appeal, or other right to review which may be afforded pursuant to the CFLL. Cha further  
8 expressly waives any requirement for the hearing on the Notice of Intent to Issue an Order Denying  
9 Application for a Mortgage Loan Originator license that may be afforded by Government Code  
10 section 11415.60(b), the California Administrative Practice Act, the California Code of Civil  
11 Procedure, or any other provision of law; and by waiving such rights, Cha effectively consents to  
12 this Order becoming final.

13 4. Payment of Monitoring Fees. Cha shall pay a penalty of \$1,200.00 for the cost of  
14 monitoring the license and such payment shall be due within 10 calendar days after the effective  
15 date of this Order, as defined in paragraph 10. The payment of penalties shall be made in the  
16 form of a cashier's check or Automated Clearing House deposit to the "Department of Business  
17 Oversight" and transmitted to the attention of Accounting – Litigation, at the Department of  
18 Business Oversight, 1515 K Street, Suite 200, Sacramento, California 95814. Notice of the  
19 payment must be concurrently sent to William Horsey, Senior Counsel, Department of Business  
20 Oversight, One Sansome Street, Suite 600, San Francisco, California 94104.

21 5. Information Willfully Withheld or Misrepresented. This Consent Order may be  
22 revoked, and the Commissioner may pursue any and all remedies available under law against  
23 Cha, if the Commissioner discovers that Cha knowingly or willfully withheld or misrepresented  
24 information used for and relied upon in this Consent Order.

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

1           7.     Independent Legal Advice. Each of the parties represents, warrants, and agrees  
2 that it has received independent advice from its attorney(s) and/or representatives with respect to  
3 the advisability of executing this Consent Order.

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

10           9.     Headings. The headings to the paragraphs of this Consent Order are inserted for  
11 convenience only and will not be deemed a part hereof or affect the construction or interpretation  
12 of the provisions hereof.

13           10.    Waiver, Amendments, and Modifications. No waiver, amendment, or modification  
14 of this Consent Order will be valid or binding unless it is in writing and signed by each of the  
15 parties. The waiver of any provision of this Consent Order will not be deemed a waiver of any other  
16 provision. No waiver by either party of any breach of, or of compliance with, any condition or  
17 provision of this Agreement by the other party will be considered a waiver of any other condition or  
18 provision or of the same condition or provision at another time.

19           11.    Governing Law. This Consent Order will be governed by and construed in  
20 accordance with California law. Each of the parties hereto consents to the jurisdiction of such  
21 court, and hereby irrevocably waives, to the fullest extent permitted by law, the defense of an  
22 inconvenient forum to the maintenance of such action or proceeding in such court.

23           12.    Counterparts. This Consent Order may be executed in one or more separate  
24 counterparts, each of which when so executed, shall be deemed an original. Such counterparts  
25 shall together constitute a single document.

26           13.    Voluntary Agreement. Cha enters into this Consent Order voluntarily and without  
27 coercion and acknowledges that no promises, threats or assurances have been made by the  
28 Commissioner or any officer, or agent thereof, about this Consent Order. The parties each

1 represent and acknowledge that they are executing this Consent Order completely voluntarily  
2 and without any duress or undue influence of any kind from any source.

3 14. Effect Upon Future Proceedings. If Cha applies for any license, permit or  
4 qualification under the Commissioner's current or future jurisdiction, or are the subject of any  
5 future action by the Commissioner to enforce this Consent Order, then the subject matter hereof  
6 shall be admitted for the purpose of such applications or enforcement proceedings.

7 15. Notice. Any notice required under this Consent Order shall be provided to each  
8 party at the following addresses:

9 To: Peter Cha, by and through his counsel Scott J. Harris, SJ Harris Law, 8383  
10 Wilshire Boulevard, Suite 210, Beverly Hills, CA 90211, [scott@sjharrislaw.com](mailto:scott@sjharrislaw.com)

11 To the Commissioner: William Horsey, Senior Enforcement Counsel, Department  
12 of Business Oversight, One Sansome Street, Suite 600, San Francisco, CA 94104,  
13 [William.Horsey@dbo.ca.gov](mailto:William.Horsey@dbo.ca.gov).

14 16. Signatures. A fax or electronic mail signature shall be deemed the same as an  
15 original signature.

16 17. Public Record. Respondent acknowledges that this Order is a public record.

17 18. 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 Cha’s counsel Scott Harris, SJ  
19 Harris Law, 8383 Wilshire Boulevard, Suite 210, Beverly Hills, CA 90211,  
20 [scott@sjharrislaw.com](mailto:scott@sjharrislaw.com).

21 ///

22 19. Authority to Execute. Each signatory hereto covenants that they possess the  
23 necessary capacity and authority to sign and enter into this Order.  
24

25 Dated: 7/18/19

26 MANUEL P. ALVAREZ  
27 Commissioner of Business Oversight

28 By \_\_\_\_\_  
MARY ANN SMITH

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Deputy Commissioner  
Enforcement Division

Dated: 7/16/19

By \_\_\_\_\_  
Respondent PETER CHA

Dated: 7/16/19

By \_\_\_\_\_  
Scott Harris, Esq.  
Respondent PETER CHA