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

11 In the Matter of:) OAH CASE NO.: 2019060455
12)
13 THE COMMISSIONER OF BUSINESS) NMLS ID NO.: 1250232
OVERSIGHT,)
14) SETTLEMENT AGREEMENT
15 Complainant,)
16 v.) Hearing Dates: November 18-19, 2019
17) Hearing Time: 9:00 a.m.
18 CATHERINE FELICIA WHITE,) Location: OAH, Los Angeles
19 Respondent.) Judge: Unassigned
20)
21)

22 This Settlement Agreement (the Settlement Agreement) is entered into between the
23 Commissioner of Business Oversight, Manuel P. Alvarez, (Commissioner) and Catherine Felicia
24 White (White) and is made with respect to the following facts:

25 **I.**

26 **Recitals**

27 A. The Commissioner has jurisdiction over the licensing and regulation of

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1 persons and entities engaged in the business of lending under the California Residential Mortgage
2 Lending Act, including Mortgage Loan Originators (MLO or MLOs) (CRMLA) (Fin. Code, §
3 50000 et seq.).

4 B. A MLO is “an individual who, for compensation for gain, or in the expectation of
5 compensation or gain, takes a residential mortgage loan application or offers or negotiates terms of
6 a residential mortgage loan.” (Fin. Code, § 50003.5.)

7 C. White is an individual who holds MLO license number 1250232 issued by the
8 Commissioner on August 10, 2015.

9 D. In 2017, Guild Mortgage Company (Guild), a CRMLA-licensed mortgage lender,
10 employed White as a MLO.

11 E. While employed as a MLO at Guild, White took a residential mortgage loan
12 application and offered or negotiated terms of a residential mortgage loan on behalf of borrower
13 applicant MS, a California resident.

14 F. Without MS’ knowledge or consent, and in order to qualify MS for a residential
15 mortgage loan, White placed MS into a special loan program, the Family Opportunity Mortgage
16 program, which allows adult children to obtain favorable mortgage financing on a home for an
17 elderly parent who is unable to work, or who earns insufficient income to qualify for a home loan on
18 her own. The lender underwrites the loan and prices the loan as the adult child’s primary residence,
19 even though the lender does not require the borrower to occupy the property.

20 G. In connection with MS’ mortgage application, Guild’s underwriting department
21 required MS submit a motivation letter setting forth MS’ intent to purchase the property for her
22 elderly mother. On July 19, 2017, White submitted a motivation letter to Guild’s underwriting
23 department and the letter was purportedly signed by MS and dated July 12, 2017.

24 H. On August 15, 2017, when MS was to sign the loan documents to close her loan
25 transaction with Guild, MS discovered the July 12, 2017 motivation letter. After reviewing the
26 motivation letter, MS refused to sign the loan documents and told the notary that her mother had died
27 15 years prior to the filing of the loan application and that White never told her that she sought to
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1 qualify MS for a Family Opportunity loan. MS ultimately lost the property because she could not
2 qualify for the loan.

3 I. White abruptly terminated her employment with Guild on August 22, 2017, several
4 days after MS refused to sign the loan documents.

5 J. Guild undertook an internal investigation concerning White's handling of MS' loan
6 application.

7 K. On February 9, 2018, Guild submitted the results of its investigation to the department
8 by letter.

9 L. Guild's investigation showed that White had obtained a copy of the motivation letter
10 from another of Guild's loan files that had previously closed under the Family Opportunity Mortgage
11 program. The motivation letter dated July 12 that MS purportedly signed bore a substantial similarity
12 to the earlier letter White had obtained from another of Guild's loan files. Guild's records showed
13 White had submitted the signed July 12 motivation letter to Guild's underwriting department on July
14 19, 2017. White could not provide her manager with any evidence showing MS had ever received or
15 signed the motivation letter White submitted to Guild's underwriting department on July 19.

16 M. After the Commissioner conducted his own investigation, he determined it was in the
17 public interest to revoke White's MLO license based on White's violations of the CRMLA under
18 Financial Code sections 50204, subdivision (j) (misrepresentation of material fact) and (k) (fraud or
19 dishonest dealings) and 50141, subdivision (a)(3) (failure to meet requirements of a MLO).

20 N. On the basis of the Commissioner's determination that White violated the CRMLA,
21 as described above, on June 3, 2019 the Commissioner personally served White with the Notice of
22 Intention to Issue Order Revoking Mortgage Loan Originator License of Catherine Felicia White,
23 Accusation, and other accompanying documents dated May 31, 2019 (collectively, the Accusation).

24 O. White timely filed her notice of defense under section 11506 of the Government Code
25 for the purpose of requesting an administrative hearing on the allegations set forth in the Accusation.
26 The administrative hearing is currently set to begin trial before the Office of Administrative Hearings,
27 Los Angeles on November 18 through 19, 2019.

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

3 II.

4 **Terms And Conditions**

5 1. **Purpose.** The Settlement Agreement resolves the issues before the Commissioner
6 described in the Recitals above, in a manner that avoids the expense of a hearing and other possible
7 court proceedings, protects consumers, is in the public interest, and is consistent with the purposes,
8 policies, and provisions of the CRMLA.

9 2. **Restitution.** As part of the Settlement Agreement, White agrees to pay MS restitution
10 in the amount of \$5,000.00 (Restitution Payment) within 15 days from the effective date of the
11 Settlement Agreement and made payable in the form of a cashier's check.

12 3. **Proof of Restitution Payment.** White shall submit evidence of the Restitution
13 Payment to the Commissioner, to the attention of Blaine A. Noblett, senior counsel, no later than
14 five days after the Restitution Payment has been made. Evidence of the Restitution Payment shall
15 include a copy of the cashier's check and proof of mailing.

16 4. **Waiver of Hearing Rights.** White acknowledges that the Commissioner is ready,
17 willing, and able to proceed with the administrative hearing to enforce the Accusation described in
18 paragraph N., above, and White hereby waives her right to a hearing, and to any reconsideration,
19 appeal, or other rights which may be afforded her under the CRMLA, the California Financing Law
20 (CFL) (Fin. Code, § 22000 et seq.), the Administrative Procedure Act (APA) (Gov. Code, § 11340
21 et seq.), the Code of Civil Procedure (CCP) (Code Civ. Proc., § 1 et seq.), or any other provision of
22 law; and by waiving such rights, White effectively consents to the Settlement Agreement becoming
23 final.

24 5. **Acknowledgement.** White acknowledges that the Commissioner issued and served
25 her with the Accusation, in which the Commissioner sought to revoke White's MLO license under
26 Financial Code section 50513 of the CRMLA and alleged White did not meet the criteria to hold a
27 MLO license under sections 50141 and 50204 of the Financial Code.

28 6. **Surrender of License.** White shall have two business days from the effective date of

1 the Settlement Agreement to surrender her MLO license to the Commissioner.

2 7. 60-Month Bar from Reapplying for MLO License. White agrees she will not reapply
3 for a MLO license before the Commissioner for a period of 60 months from the date of surrender of
4 her MLO license. Should White reapply for a MLO license prior to the expiration of the 60-month
5 period, the Commissioner shall automatically deny the MLO license application and White
6 expressly waives any hearing rights she may have to contest such denial under the CRMLA, CFL,
7 APA, CCP, or any other provision of law in connection with this matter. White further expressly
8 waives any requirement for the filing of a Statement of Issues that may be afforded by Government
9 Code section 11415.60, subdivision (b).

10 8. Remedy for Breach. White agrees that if she fails to comply with any term of the
11 Settlement Agreement, the Commissioner may, in addition to all other available remedies he may
12 invoke under the CRMLA, summarily revoke White’s MLO license and change the surrender to a
13 revocation. White hereby waives any notice and hearing rights that she may be afforded under the
14 CRMLA, APA, CCP, or any other provision of law to contest immediate revocation of her MLO
15 license.

16 9. Full and Final Agreement. The parties hereby acknowledge and agree that the
17 Settlement Agreement is intended to constitute a full, final, and complete resolution of the
18 Accusation. No further proceedings or actions will be brought by the Commissioner in connection
19 with this matter, either under the CRMLA or any other provision of law, subject to the exceptions
20 set forth in paragraph 9. below.

21 10. Exceptions to Full and Final Settlement. Nothing in paragraph 8. above, or anything
22 else in the Settlement Agreement shall be construed to prohibit or restrict or preclude the
23 Commissioner from taking any of the following actions:

24 (a) Bringing a proceeding to enforce compliance with the terms of the Settlement
25 Agreement;

26 (b) Bringing a proceeding based upon discovery of violations of the CRMLA
27 occurring after the effective date of the Settlement Agreement;

28 (c) Bringing a proceeding based upon discovery after the effective date of violations

1 of the CRMLA, which do not form the basis for the Settlement Agreement or a finding in the
2 Recitals above; or

3 (d) Bringing a proceeding based upon discovery of violations of the CRMLA, which
4 White knowingly concealed from the Commissioner.

5 11. Information Willfully Withheld. The Settlement Agreement may be revoked, and the
6 Commissioner may pursue any and all remedies under the CRMLA against White if the
7 Commissioner discovers White knowingly or willfully withheld information used for and relied
8 upon in the Settlement Agreement.

9 12. Future Actions by Commissioner. If White fails to comply with any term of the
10 Settlement Agreement, the Commissioner may institute proceedings for any and all violations
11 otherwise resolved under the Settlement Agreement. The Commissioner reserves the right to bring
12 any future actions against White for any and all unknown violations of the CRMLA.

13 13. Commissioner's Duties. The parties further acknowledge and agree that nothing in
14 the Settlement Agreement shall limit the Commissioner's ability to assist any other agency (city,
15 county, state, or federal) with any prosecution, administrative, civil, or criminal, brought by any
16 such agency against White or any other person based upon any of the activities alleged in this
17 matter or otherwise.

18 14. Headings. The headings to the paragraphs of the Settlement Agreement are inserted
19 for convenience only and will not be deemed a part hereof or affect the construction or
20 interpretation of the provisions hereof.

21 15. Binding. The Settlement Agreement is binding on all heirs, assigns, or successors in
22 interest.

23 16. Reliance. Each of the parties represents, warrants, and agrees that in executing the
24 Settlement Agreement they have relied solely on the statements set forth herein and the independent
25 advice from their own counsel. Each of the parties further represents, warrants, and agrees that in
26 executing the Settlement Agreement they have placed no reliance on any statement, representation,
27 or promise of any other party, or any other person or entity not expressly set forth herein, or upon
28 the failure of any party, or any other person to make any statement, representation or disclosure or

1 anything whatsoever. The parties have included this clause to (1) to preclude any claim that any
2 party was in any way fraudulently induced to execute the Settlement Agreement; and (2) to preclude
3 the introduction of parol evidence to vary, interpret, supplement, or contradict the terms of the
4 Settlement Agreement.

5 17. Counterparts. The parties agree that the Settlement Agreement may be executed in
6 one or more separate counterparts, each of which shall be deemed an original when so executed.
7 Such counterparts shall together constitute and be one and the same instrument.

8 18. Waiver, Modification, and Qualified Integration. No waiver, amendment, or
9 modification of the Settlement Agreement shall be valid or binding to any extent unless it is in
10 writing and signed by all the parties affected by it. The waiver of any provision of the Settlement
11 Agreement shall not operate to waive any other provision.

12 19. Governing Law. The Settlement Agreement shall be construed and enforced in
13 accordance with and governed by California law.

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

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

27 22. Effect Upon Future Proceedings. If White applies for any license, permit, or
28 qualification under the Commissioner's current or future jurisdiction, or is the subject of any future

1 action by the Commissioner to enforce the Settlement Agreement, then the subject matter hereof
2 shall be admitted for the purpose of such application(s) or enforcement proceeding(s).

3 23. Voluntary Agreement. White enters into the Settlement Agreement voluntarily and
4 without coercion and acknowledges that no promises, threats, or assurances have been made by the
5 Commissioner, or any officer or agent thereof, about the Settlement Agreement. The parties each
6 represent and acknowledge that he or she is executing the Settlement Agreement completely
7 voluntarily and without any duress or undue influence of any kind from any source.

8 24. Effective Date. The Settlement Agreement shall become final and effective when
9 signed by all parties and delivered by the Commissioner's agent via e-mail to White's counsel at
10 sweintsteinlaw@gmail.com.

11 25. Independent Legal Advice. Each of the parties represents, warrants, and agrees that
12 they have received independent advice from their attorney(s) and/or representative(s) with respect
13 to the advisability of executing the Settlement Agreement.

14 26. Notice. Any notices required under the Settlement Agreement shall be provided to
15 each party at the following addresses:

16 If to Respondent to: Catherine Felicia White
17 c/o Seth Weinstein, Esq.
18 Law Offices of Seth Weinstein, P.C.
19 15260 Ventura Blvd. Suite 1200
20 Sherman Oaks, CA 91403

21 If to the Commissioner to: Blaine A. Noblett, Senior Counsel
22 Department of Business Oversight
23 320 West 4th Street, Suite 750
24 Los Angeles, California 90013-2344

25 27. Public Record. White acknowledges that the Settlement Agreement is a public
26 record.

27 28. Signatures. The Settlement Agreement may be executed by facsimile or scanned
28 signature, and any such facsimile or scanned signature by any party hereto shall be deemed to be an
original signature and shall be binding on such party to the same extent as if such facsimile or
scanned signature were an original signature.

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29. Authority to Sign. Each signatory hereto covenants that he/she possesses all necessary capacity and authority to sign and enter into the Settlement Agreement.

IN WITNESS WHEREOF, the parties hereto have approved and executed the Settlement Agreement on the dates set forth opposite their respective signatures.

MANUEL P. ALVAREZ
Commissioner of Business Oversight

Dated: 8/29/19

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

CATHERINE FELICIA WHITE

Dated: 8/28/19

By _____
CATHERINE FELICIA WHITE

Approved as to Form and Content

By _____
Seth Weinstein, Esq.
Law Offices of Seth Weinstein, P.C.
Attorneys on behalf of CATHERINE FELICIA WHITE