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8 Attorneys for Complainant

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

12	In the Matter of:)	OAH CASE NO. 2019100555
13)	
14	THE COMMISSIONER OF BUSINESS OVERSIGHT,)	NMLS LICENSE NO. 1093038
15)	SETTLEMENT AGREEMENT
16	Complainant,)	
17	v.)	Hearing Date: February 12, 2020
18	GREGORY ADAM HARRIS,)	Hearing Time: 9:00 a.m.
19)	Location: OAH - Los Angeles
20	Respondent.)	320 West 4th Street, Suite 630
21)	Los Angeles, CA 90013
)	Judge: Unassigned
)	
)	
)	

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23 This Settlement Agreement (Settlement Agreement) is entered between the Commissioner
24 of Business Oversight (Commissioner) and Gregory Adam Harris (Harris) and is made with respect
25 to the following facts:

26 I.

27 Recitals

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

1 persons and entities engaged in the business of issuing and brokering mortgage loans under
2 the California Financing Law (CFL) (Fin. Code, § 22000 et seq.), including mortgage loan
3 originators (MLOs).

4 B. On May 10, 2019, Harris applied for an MLO license through the Nationwide
5 Multistate Licensing System (the NMLS) seeking licensure as an MLO before the Department.

6 C. Harris responded “yes” to question K(5) of the MU4 application, which asks the
7 applicant if any state regulatory agency has ever revoked his registration or license.

8 D. In the disclosure explanation section of his MU4, Harris reported that the California
9 Department of Real Estate (DRE) had revoked his real estate broker’s license for using a post office
10 box as his primary business address on the DRE website, which according to Harris violated DRE
11 requirements.

12 E. The Commissioner’s examiner sent Harris notification, through the NMLS,
13 requesting Harris amend his MLO application to include a detailed explanation of the circumstances
14 surrounding the license revocation, and asked Harris to provide copies of any supporting
15 documents.

16 F. On June 25, Harris submitted an amended MU4 through the NMLS. The amended
17 application included Harris’ DRE license revocation documents.

18 G. The records Harris provided the Commissioner disclosed that on September 7, 2018,
19 the DRE adopted the administrative law judge’s corrected proposed decision issued in an
20 administrative proceeding against Harris before the Office of Administrative Hearings (the Adopted
21 Decision). Under the Adopted Decision, the Acting Real Estate Commissioner revoked Harris’
22 broker’s license, effective October 2, 2018.

23 H. The supporting documents Harris provided to the Commissioner show that in a
24 default proceeding against Harris under Government Code section 11520, the administrative law
25 judge found:

26 Cause exists to revoke respondent Harris’s real estate broker license
27 pursuant to sections 10165, 10162, subdivision (a), and 10177,
28 subdivisions (d), (g), and California Code of Regulations, title 10,
section 2715, on the grounds that respondent willfully disregarded or

1 violated the real estate laws, rules, and regulations, and violated section
2 10162, when respondent failed to maintain a definite place of business
3 in the State of California that serves as respondent's office for the
4 transaction of business, where his license is displayed, and where
5 personal consultations with clients are held.

6 I. Under the Adopted Decision, the administrative law judge revoked all of Harris'
7 licenses and licensing rights under the Real Estate Law and ordered Harris pay the DRE its
8 investigative and enforcement costs of \$2,455.50.

9 J. Harris has not provided the Commissioner with any explanation or documentation
10 demonstrating that the DRE has set aside the Adopted Decision in whole or in part.

11 K. The Commissioner concluded Harris did not meet at least one of the minimum
12 requirements to hold a MLO license under Financial Code section 22109.1, subdivision (a)(3),
13 when the DRE revoked Harris' real estate broker's license for willful violations of the real estate
14 laws, rules, and regulations.

15 L. On October 4, 2019, the Commissioner issued Harris his Notice of Intention to deny
16 Harris' MLO application, Statement of Issues, and other supporting pleadings (collectively,
17 Statement of Issues).

18 M. Harris timely filed his Notice of Defense with the Commissioner on October 13, and
19 this matter is currently set for a one-day hearing on February 12, 2020, before the Office of
20 Administrative Hearings, Los Angeles.

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

23 **II.**

24 **Terms and Conditions**

25 1. Purpose. The Settlement Agreement resolves the issues before the Commissioner
26 described above in a manner that avoids the expense of a hearing and other possible court
27 proceedings, protects consumers, is in the public interest, and is consistent with the purposes and
28 provisions of the CFL.

2. Acknowledgment. Harris acknowledges that the Commissioner issued and served

1 him with the Statement of Issues in which the Commissioner alleged Harris did not meet the
2 minimum criteria to hold an MLO license under Financial Code section 22109.1, subdivision (a)(3),
3 as set forth above.

4 3. Waiver of Hearing Rights. Harris agrees that this Settlement Agreement shall have
5 the effect of withdrawing his request for an administrative hearing on the matter set forth herein.
6 Harris acknowledges his right to an administrative hearing under the CFL in connection with the
7 Statement of Issues and hereby waives such right to a hearing and to any reconsideration, appeal, or
8 other rights which may be afforded him under the CFL, the Administrative Procedure Act (APA)
9 (Gov. Code, § 11340 et seq.), the Code of Civil Procedure (CCP) (Code Civ. Proc., § 1 et seq.), or
10 any provision of law in connection with this matter.

11 4. Restitution. Harris agrees that within 15 days from the effective date of the
12 Settlement Agreement he shall provide the Commissioner with proof of payment of the DRE's
13 investigative and enforcement costs of \$2,455.50, which the administrative law judge ordered
14 Harris pay under the Adopted Decision.

15 5. Revocation of License. Harris agrees that for the 36-month period from the effective
16 date of the Settlement Agreement, should the Commissioner make a finding that Harris has violated
17 or is violating any provision of the CFL, the California Residential Mortgage Lending Act
18 (CRMLA) (Fin. Code, § 50000 et seq.), or any rule, regulation, or law under the jurisdiction of the
19 Commissioner, the state of California, the United States of America, and every state and foreign
20 government (and political subdivision thereof), the Commissioner may, in his discretion,
21 automatically revoke any license held by or deny any pending application(s) of Harris. Harris
22 hereby waives any notice and hearing rights to contest such revocation or denial(s) which may have
23 been afforded him under the CFL, CRMLA, APA, CCP, or any other provision of law in connection
24 with this matter. Harris further expressly waives any requirement for the filing of an accusation
25 under Government Code section 11415.60, subdivision (b), in connection with the Commissioner's
26 revocation of his license under this paragraph.

27 6. Reporting Requirement. During the 36-month period from the effective date of the
28 Settlement Agreement, Harris shall report to the Commissioner within 30 days any disciplinary

1 investigations or actions against him by any licensing agencies, any criminal investigations,
2 prosecutions, or convictions against Harris, or any civil judgments against Harris. Traffic citations
3 are excluded.

4 7. Continuing Education. Harris agrees to annually take at least 16 hours of continuing
5 education offered by a NMLS approved vendor for the next 36 months and agrees to submit proof
6 of compliance to Blaine A. Noblett, Senior Counsel, Enforcement Division. The first report is due
7 on December 31, 2020. The second report is due on December 31, 2021. The third report is due on
8 December 31, 2022. Should the reporting deadline fall on a Saturday, Sunday, or state holiday, the
9 report must be received by the Commissioner's agent by the following business day.

10 8. Remedy for Breach. Harris acknowledges and agrees that his failure to pay the
11 DRE's investigative and enforcement costs under paragraph 4., above, or his failure to satisfy the
12 reporting requirement under paragraph 6., above, or his failure to satisfy the continuing education
13 requirement under paragraph 7., above, shall be deemed a breach and cause for the Commissioner
14 to immediately revoke any license held by or deny any pending application(s) of Harris. Harris
15 hereby waives any notice and hearing rights to contest such revocation or denial(s) which may have
16 been afforded him under the CFL, CRMLA, APA, CCP, or any other provision of law in connection
17 with this matter. Harris further expressly waives any requirement for the filing of an accusation
18 under Government Code section 11415.60, subdivision (b), in connection with the Commissioner's
19 revocation of his license under this paragraph.

20 9. Approval of MLO Application. The Commissioner hereby acknowledges that Harris'
21 MLO application is ready to be approved, and the Commissioner hereby agrees to approve it
22 concurrently with the execution of the Settlement Agreement.

23 10. Full and Final Settlement. The parties hereby acknowledge and agree that the
24 Settlement Agreement is intended to constitute a full, final, and complete resolution of Harris's
25 alleged violations of the CFL as identified herein. No further proceedings or actions will be brought
26 by the Commissioner in connection with the Statement of Issues under the CFL or any other
27 provision of law, excepting any proceeding to enforce compliance with the terms of the Settlement
28 Agreement.

1 11. Information Willfully Withheld. The Settlement Agreement may be revoked, and the
2 Commissioner may pursue any and all remedies under the CFL against Harris if the Commissioner
3 discovers Harris knowingly or willfully withheld information use for and relied upon in the
4 Settlement Agreement.

5 12. Assisting Other Agencies. The parties further acknowledge and agree that nothing in
6 the Settlement Agreement shall limit the Commissioner’s ability to assist any other agency (city,
7 county, state, or federal) with any prosecution, administrative, civil, or criminal, brought by any
8 such agency against Harris or any other person based upon any of the activities alleged in this
9 matter or otherwise.

10 13. Binding. The Settlement Agreement is binding on all heirs, assigns, or successors in
11 interest.

12 14. Independent Legal Advice. Each of the parties represents, warrants, and agrees that
13 he, she, or it has received independent advice from its attorney(s) or representative(s) with respect
14 to the advisability of executing the Settlement Agreement.

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

18 16. Waiver, Modification, and Qualified Integration. The waiver of any provision of the
19 Settlement Agreement shall not operate to waive any other provision set forth herein. No waiver,
20 amendment, or modification of the Settlement Agreement shall be valid or binding to any extent
21 unless it is in writing and signed by all the parties affected by it.

22 17. Headings and Governing Law. The headings to the paragraphs of the Settlement
23 Agreement are inserted for convenience only and will not be deemed a part hereof or affect the
24 construction or interpretation of the provisions hereof. The Settlement Agreement shall be construed
25 and enforced in accordance with and governed by California law.

26 18. Full Integration. Each of the parties represents, warrants, and agrees that in executing
27 the Settlement Agreement he, she, or it has relied solely on the statements set forth herein and the
28 advice of its own counsel. Each of the parties further represents, warrants, and agrees that in

1 executing the Settlement Agreement he, she, or it has placed no reliance on any statement,
2 representation, or promise of any other party, or any other person or entity not expressly set forth
3 herein, or upon the failure of any party or any other person or entity to make any statement,
4 representation, or disclosure of anything whatsoever. The parties have included this clause (1) to
5 preclude any claim that any party was in any way fraudulently induced to execute the Settlement
6 Agreement and (2) to preclude the introduction of parol evidence to vary, interpret, supplement, or
7 contradict the terms of the Settlement Agreement.

8 19. Presumption from Drafting. In that the parties have had the opportunity to draft,
9 review, and edit the language of the Settlement Agreement, no presumption for or against any party
10 arising out of drafting all or any part of the Settlement Agreement will be applied in any action
11 relating to, connected to, or involving the Settlement Agreement. Accordingly, the parties waive the
12 benefit of Civil Code section 1654 and any successor or amended statute, providing that in cases of
13 uncertainty, language of a contract should be interpreted most strongly against the party that caused
14 the uncertainty to exist.

15 20. Voluntary Agreement. Harris enters into the Settlement Agreement voluntarily and
16 without coercion and acknowledges that no promises, threats, or assurances have been made by the
17 Commissioner, or any officer or agent thereof, about the Settlement Agreement.

18 21. Effective Date. The Settlement Agreement shall become final and effective when
19 signed by all parties and delivered by the Commissioner's agent via e-mail to Harris at
20 greg@harriscapitalinv.com.

21 22. Notice. Any notices required under the Settlement Agreement shall be provided to
22 each party at the following addresses:

23 If to Respondent: Gregory Adam Harris
24 4924 Balboa Boulevard, Suite 101
25 Encino, California 91316

26 If to the Commissioner: Blaine A. Noblett, Senior Counsel
27 Department of Business Oversight
28 320 W. 4th Street, Suite 750
 Los Angeles, California 90013-2344

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23. Authority to Execute. 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: 1/23/20

By _____

MARY ANN SMITH
Deputy Commissioner
Enforcement Division

GREGORY ADAM HARRIS, Respondent

Dated: 1/23/20

By _____

GREGORY ADAM HARRIS