

1 MARY ANN SMITH
Deputy Commissioner
2 SEAN ROONEY
Assistant Chief Counsel
3 BLAINE A. NOBLETT (State Bar No. 235612)
4 Senior Counsel
5 Department of Financial Protection and Innovation
6 320 W. 4th Street, Suite 750
7 Los Angeles, California 90013-2344
8 (213) 576-1396 (213) 576-7181 (Fax)
9 Attorneys for Complainant

10 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
11 OF THE STATE OF CALIFORNIA

12 In the Matter of:) NMLS LICENSE NO. 359663
13)
14 THE COMMISSIONER OF FINANCIAL) CONSENT ORDER
PROTECTION AND INNOVATION,)
15)
16 Complainant,)
17 v.)
18 DAVID GEORGE DANIEL,)
19 Respondent.)
20)
21)
22)
23)

24
25 This Consent Order (the Consent Order) is entered between the Commissioner of Financial
26 Protection and Innovation (Commissioner) and David George Daniel (Daniel), and is made with
27 respect to the following facts.

28 ///

1 **I.**

2 **Recitals**

3 A. The Commissioner has jurisdiction over the licensing and regulation of persons
4 engaged in the business of making, servicing, or brokering residential mortgage loans, including
5 mortgage loan originators (MLO or MLOs), under the California Financing Law (CFL) (Fin. Code, §
6 22000 et seq.) and the California Residential Mortgage Lending Act (CRMLA) (Fin. Code, § 50000
7 et seq.).

8 B. Daniel first applied for an MLO license with the Commissioner on March 20, 2019.

9 C. The Commissioner denied Daniel’s MLO license application by order dated October
10 29, 2019, when the Commissioner concluded that Daniel had failed to meet the financial
11 responsibility, character, and general fitness requirements of an MLO under Financial Code sections
12 22109.1 and 50141. The Commissioner found that Daniel had surrendered his Department of Real
13 Estate (DRE) broker’s license in connection with a pending DRE disciplinary action for the
14 mishandling of trust funds and other violations of the Real Estate Law (Business and Professions
15 Code) and that Daniel had filed for Chapter 7 bankruptcy protection in 2009.

16 D. On August 3, 2020, Daniel again applied for a MLO license with the Commissioner.
17 Daniel’s MLO license application lacks the sponsorship of a licensed CFL or CRMLA lender,
18 broker, or loan servicer.

19 E. Daniel’s 2020 MLO application disclosed that on December 9, 2016, the DRE filed a
20 First Amended Accusation against Daniel, Redwood Realty, Inc. (Redwood), and Ali Hasnain Ali
21 (Ali). Redwood was licensed by the DRE as a corporate real estate broker under the Business and
22 Professions Code. Daniel was the designated broker and officer of Redwood from December 17,
23 2010 through March 25, 2012.

24 F. The DRE found that Daniel and Redwood accepted or received trust funds in the
25 course of their real estate activities. The DRE further found that Daniel had committed trust fund
26 handling violations under the Business and Professions Code and related regulations.

27 G. The DRE also found that Daniel unlawfully claimed, demanded, charged, collected,
28 and received advance fees in connection with loan modification services.

1 H. Finally, the DRE found that Daniel was the designated broker officer for Redwood
2 and was therefore responsible for the supervision and control of the activities conducted on behalf
3 of Redwood by its officers and employees for the period of February 2, 2011, through April 12,
4 2012. Daniel failed to exercise reasonable supervision and control over the property management
5 activities of Redwood.

6 I. Daniel did not contest the DRE's findings and, instead, surrendered his DRE license,
7 effective October 2, 2017, in connection with DRE's disciplinary action.

8 J. On October 30, 2018, Daniel petitioned the DRE to reinstate his surrendered
9 broker's license.

10 K. The DRE granted Daniel's petition for reinstatement on May 16, 2019. Daniel is
11 currently licensed by the DRE as a real estate broker.

12 L. The Commissioner has grounds to deny Daniel's MLO license application under
13 Financial Code sections 22109.1, subdivision (a)(3) and 50141, subdivision (a)(3), when Daniel
14 surrendered his broker's license in connection with the DRE's disciplinary action for the
15 mishandling of trust funds and other violations of the Business and Professions Code and Daniel's
16 2009 bankruptcy petition.

17 NOW, THEREFORE, in consideration of the foregoing and the terms and conditions set
18 forth herein, the parties agree as follows.

19 **II.**

20 **Terms**

21 1. Purpose. The Consent Order resolves the issues before the Commissioner described
22 above in the Recitals in a manner that avoids the expense of a hearing and other possible court
23 proceedings, protects consumers, is in the public interest, and is consistent with the purposes and
24 provisions of the CFL and CRMLA.

25 2. Waiver of Hearing Rights. Daniel acknowledges that the Commissioner is ready,
26 willing, and able to proceed with the filing of an administrative enforcement action on the findings
27 described in the Recitals above. Daniel hereby waives the right to any hearings, and to any
28 reconsideration, appeal, or other right to review which may be afforded pursuant to the CFL, the

1 CRMLA, the Administrative Procedure Act (APA), the Code of Civil Procedure (CCP), or any other
2 provision of law. By waiving such rights, Daniel effectively consents to the Consent Order becoming
3 final.

4 3. Revocation of License. Daniel agrees that for the 12-month period from the effective
5 date of the Consent Order, should the Commissioner make a finding that Daniel has violated or is
6 violating any provision of the CFL, the CRMLA, or any rule, regulation, or law under the
7 jurisdiction of the Commissioner, the state of California, the United States of America, and every
8 state and foreign government (and political subdivision thereof), the Commissioner may, in his
9 discretion, automatically revoke any license held by or deny any pending application(s) of Daniel.
10 Daniel hereby waives any notice and hearing rights to contest such revocation or denial(s) which
11 may be afforded him under the CFL, CRMLA, APA, CCP, or any other provision of law in
12 connection with this matter. Daniel further expressly waives any requirement for the filing of an
13 accusation under Government Code section 11415.60, subdivision (b), in connection with the
14 Commissioner's revocation of his license under this paragraph.

15 4. Reporting Requirement. During the 12-month period from the effective date of the
16 Consent Order, Daniel shall report to the Commissioner within 30 days any disciplinary
17 investigations or actions against him by any licensing agencies, any criminal investigations,
18 prosecutions, or convictions against Daniel, or any civil judgments against Daniel. Traffic citations
19 shall be excluded.

20 5. Continuing Education. During the next 12 months, Daniel agrees to take at least 16
21 hours of continuing education offered by a NMLS approved vendor and agrees to submit proof of
22 compliance to the Commissioner. Daniel's proof of compliance is due to the Commissioner's agent
23 by December 31, 2021.

24 6. Remedy for Breach. Daniel acknowledges and agrees that his failure to satisfy the
25 reporting requirement under paragraph 4., above, or his failure to satisfy the continuing education
26 requirement under paragraph 5., above, shall be deemed a breach and cause for the Commissioner
27 to immediately revoke any license held by or deny any pending application(s) of Daniel. Daniel
28 hereby waives any notice and hearing rights to contest such revocation or denial(s) which may be

1 afforded him under the CFL, CRMLA, APA, CCP, or any other provision of law in connection with
2 this matter. Daniel further expressly waives any requirement for the filing of an accusation under
3 Government Code section 11415.60, subdivision (b), in connection with the Commissioner's
4 revocation of his license under this paragraph.

5 7. Approval of MLO Application. The Commissioner hereby acknowledges that
6 Daniel's MLO application is ready to be approved, and the Commissioner hereby agrees to approve
7 it concurrently with the execution of the Consent Order.

8 8. Full and Final Settlement. The parties hereby acknowledge and agree that the
9 Consent Order is intended to constitute a full, final, and complete resolution of Daniel's alleged
10 violations of the CFL and CRMLA as identified herein. No further proceedings or actions will be
11 brought by the Commissioner in connection with this matter, or any other provision of law,
12 excepting any proceeding to enforce compliance with the terms of the Consent Order.

13 9. Information Willfully Withheld. The Consent Order may be revoked, and the
14 Commissioner may pursue any and all remedies under the CFL and CRMLA against Daniel if the
15 Commissioner discovers Daniel knowingly or willfully withheld information use for and relied
16 upon in the Consent Order.

17 10. Assisting Other Agencies. The parties further acknowledge and agree that nothing in
18 the Consent Order shall limit the Commissioner's ability to assist any other agency (city, county,
19 state, or federal) with any prosecution, administrative, civil, or criminal, brought by any such
20 agency against Daniel or any other person based upon any of the activities alleged in this matter or
21 otherwise.

22 11. Binding. The Consent Order is binding on all heirs, assigns, or successors in interest.

23 12. Independent Legal Advice. Each of the parties represents, warrants, and agrees that
24 he, she, or it has received independent advice from its attorney(s) or representative(s) with respect
25 to the advisability of executing the Consent Order.

26 13. Counterparts. The parties agree that the Consent Order may be executed in one or
27 more separate counterparts, each of which shall be deemed an original when so executed. Such
28 counterparts shall together constitute and be one and the same instrument.

1 14. Waiver, Modification, and Qualified Integration. The waiver of any provision of the
2 Consent Order shall not operate to waive any other provision set forth herein. No waiver,
3 amendment, or modification of the Consent Order shall be valid or binding to any extent unless it is
4 in writing and signed by all the parties affected by it.

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

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

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

26 18. Voluntary Agreement. Daniel enters into the 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 the Consent Order.

1 19. Effective Date. The Consent Order shall become final and effective when signed by
2 all parties and delivered by the Commissioner’s agent via e-mail to Daniel at
3 davidan64@gmail.com.

4 20. Notice. Any notice required under the Consent Order shall be provided to each party at
5 the following addresses:

6 If to Respondent to: David George Daniel
7 7505 Phinney Place
8 San Jose, California 95139

9 If to the Commissioner to: Blaine A. Noblett, Senior Counsel
10 Department of Financial Protection and Innovation
11 320 W. 4th Street, Suite 750
12 Los Angeles, California 90013-2344

13 21. Authority to Execute. Each signatory hereto covenants that he/she possesses all
14 necessary capacity and authority to sign and enter into the Consent Order.

15 [Signature page to follow]

16
17
18
19
20
21
22
23
24
25
26
27
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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

MANUEL P. ALVAREZ
Commissioner of Financial Protection and
Innovation

Dated: December 7, 2020

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

DAVID GEORGE DANIEL, Respondent

Dated: December 3, 2020

By _____
DAVID GEORGE DANIEL