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

13 In the Matter of:	)	OAH CASE NO.: 2021050838
)	
14 THE COMMISSIONER OF FINANCIAL	)	NMLS LICENSE NO.: 332714
15 PROTECTION AND INNOVATION,)	
	)	SETTLEMENT AGREEMENT
16 Complainant,)	
	)	Hearing Dates: December 6—9, 2021
17 v.	)	Hearing Time: 9:00 a.m.
	)	Location: 320 West 4th Street, Suite 630
18 MICHELLE F. BASTA, aka SHELLY	)	Los Angeles, CA 90013
19 BASTA	)	Call-In No.: (916) 245-8850
	)	Conf. ID: 965 125 034#
20 Respondent.	)	Judge: David B. Rosenman
)	

22
23 This Settlement Agreement (Settlement Agreement) is entered into between the
24 Commissioner of Financial Protection and Innovation (Commissioner) and Michelle F. Basta, aka
25 Shelly Basta (Basta), and is made with respect to the following facts.

26 **I.**

27 **Recitals**

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

1 engaged in the business of making, servicing, or brokering residential mortgage loans, including
2 mortgage loan originators (MLO or MLOs), under the California Financing Law (CFL) (Fin. Code, §
3 22000 et seq.).

4 B. Basta first received her MLO license from the Commissioner on December 12, 2018
5 and is currently licensed by the Department.

6 C. Basta was at one time employed and sponsored by Ocean Lending Home Loans, Inc.
7 (Ocean Lending), a lender licensed by the Commissioner under both the CFL and California
8 Residential Mortgage Lending Act (CRMLA) (Fin. Code, § 50000 et seq.).

9 D. Ocean Lending terminated Basta's employment on July 10, 2020.

10 E. The Commissioner found that Basta had submitted a falsified borrower loan
11 qualification document, specifically, a TIAA-CREF retirement account statement, to Ocean
12 Lending's underwriter on May 28, 2020, in violation of Financial Code section 22755, subdivision
13 (a). Furthermore, in submitting a falsified borrower loan qualification document to the lender in order
14 to qualify the borrower for a residential mortgage loan, Basta failed to demonstrate such financial
15 responsibility, character, and general fitness as to command the confidence of the community and to
16 warrant a determination that she would operate honestly, fairly, and efficiently as an MLO under
17 Financial Code section 22109.1, subdivision (a)(3).

18 F. On May 7, 2021, the Commissioner issued Basta a notice of intention and accusation
19 (collectively, Accusation) under Financial Code section 22172 to revoke Basta's MLO license.

20 G. Basta timely filed her notice of defense with the Commissioner on May 19, and this
21 matter is currently set for a four-day hearing from December 6 to December 9, 2021, to be held via
22 videoconference before the Office of Administrative Hearings.

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

25 **II.**

26 **Terms**

27 1. **Purpose.** The Settlement Agreement resolves the issues before the Commissioner
28 described above in the Recitals in a manner that avoids the expense of a hearing and other possible

1 court proceedings, protects consumers, is in the public interest, and is consistent with the purposes
2 and provisions of the CFL.

3 2. Acknowledgment. Basta acknowledges that the Commissioner issued and served her
4 with the Accusation in which the Commissioner determined that Basta had violated the CFL and did
5 not meet the minimum criteria to hold an MLO license under Financial Code sections 22109.1,
6 22172, and 22755 as set forth above.

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

14 4. Surrender of License. Basta shall surrender her MLO license to the Commissioner on
15 or before November 30. If at any time prior to the surrender of Basta's license, the Department
16 makes a finding that Basta has violated or is violating any provision of the CFL, CRMLA, or any
17 law, rule, or regulation under the jurisdiction of the Commissioner, the Commissioner may revoke
18 any license held by Basta or deny any pending application(s) of Basta, provided that the
19 Commissioner give Basta five days' written notice of such a finding. Basta hereby waives any
20 hearing rights to contest such revocation or denial(s) under the CFL, CRMLA, APA, CCP, or any
21 other provision of law in connection with this matter.

22 5. Stipulation Not to Apply for an MLO License for Three years. Basta agrees that she
23 will not reapply for an MLO license before the Commissioner for a period of three years from the
24 date of surrender of her MLO license. Should Basta reapply for an MLO license prior to the
25 expiration of the three-year period, the Commissioner shall automatically deny Basta's MLO
26 application and Basta hereby waives any hearing rights she may have to contest such denial under
27 the CFL, CRMLA, APA, CCP, or any other provision of law in connection with this matter.

28 6. Full and Final Settlement. The parties hereby acknowledge and agree that the

1 Settlement Agreement is intended to constitute a full, final, and complete resolution of Basta's
2 violations of the CFL as identified herein. No further proceedings or actions will be brought by the
3 Commissioner in connection with this matter, or any other provision of law, excepting any
4 proceeding to enforce compliance with the terms of the Settlement Agreement.

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

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

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

16 10. Waiver, Amendments, and Modifications. The waiver of any provision of the
17 Settlement Agreement shall not operate to waive any other provision set forth herein. No waiver,
18 amendment, or modification of this Settlement Agreement shall be valid or binding unless it is in
19 writing and signed by each of the parties.

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

24 12. Full Integration. The Settlement Agreement is the final written expression and the
25 complete and exclusive statement of all the agreements, conditions, promises, representations, and
26 covenants between the parties with respect to the subject matter hereof, and supersedes all prior or
27 contemporaneous agreements, negotiations, representations, understandings, and discussions
28 between and among the parties, their respective representatives, and any other person or entity, with

1 respect to the subject matter covered hereby.

2 13. No Presumption Against Drafter. Each party acknowledges that he or she has had the
3 opportunity to draft, review, and edit the language of the Settlement Agreement. Accordingly, the
4 parties intend no presumption for or against the drafting party will apply in construing any part of
5 the Settlement Agreement. The parties waive the benefit of Civil Code section 1654 as amended or
6 corresponding provisions of any successor statute, which provide that in cases of uncertainty,
7 language of a contract should be interpreted most strongly against the party who caused the
8 uncertainty to exist.

9 14. Mandatory Disclosure in Future Applications. Basta agrees to disclose the Settlement
10 Agreement in any application for a license, permit, or qualification under the Commissioner's
11 current or future jurisdiction.

12 15. Voluntary Agreement. Basta enters into the Settlement Agreement voluntarily and
13 without coercion and acknowledges that no promises, threats, or assurances have been made by the
14 Commissioner, or any officer or agent thereof, about the Settlement Agreement.

15 16. Notice. Any notice required under the Settlement Agreement shall be provided to each
16 party at the following addresses:

17 Respondent: Michelle F. Basta

18 With copy to: Vincent LaBarbera, Esq.
19 Law Offices of Vincent J. LaBarbera
20 4100 Newport Place, Suite 620
21 Newport Beach, California 92660
vlb@labarberalaw.com

22 Commissioner: Blaine A. Noblett
23 Senior Counsel
24 Department of Financial Protection and Innovation
25 320 W. 4th Street, Suite 750
Los Angeles, California 90013
blaine.noblett@dfpi.ca.gov

26 17. Authority to Execute. Each signatory hereto covenants that he or she possesses all
27 necessary capacity and authority to sign and enter into the Settlement Agreement.
28

1 18. Signatures. A facsimile or electronic mail signature shall be deemed the same as an
2 original signature.

3 19. Public Record. Basta hereby acknowledges that the Settlement Agreement is and will
4 be a matter of public record.

5 20. Effective Date. The Settlement Agreement shall become final and effective when
6 signed by all parties and delivered by the Commissioner's agent via e-mail to Basta at the following
7 email address: vlb@labarberlaw.com.

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

10 CHRISTOPHER S. SHULTZ
11 Acting Commissioner of Financial Protection and
12 Innovation

13 Dated: November 2, 2021

14 By _____
15 MARY ANN SMITH
16 Deputy Commissioner
17 Enforcement Division

18 MICHELLE F. BASTA, aka SHELLY BASTA

19 Dated: October 28, 2021

20 By _____
21 MICHELLE F. BASTA, Respondent

22 Approved as to Form

23 By _____
24 Vincent LaBarbera, Esq.
25 Law Offices of Vincent J. LaBarbera
26 Attorneys on behalf of
27 Michelle F. Basta, aka Shelly Basta
28