

1 MARY ANN SMITH
Deputy Commissioner
2 SEAN ROONEY
Assistant Chief Counsel
3 MARLOU de LUNA (State Bar No. 162259)
Senior Counsel
4 TAYLOR STEINBACHER (State Bar No. 285335)
Senior Counsel
5 Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
6 Los Angeles, California 90013-2344
Telephone: (213) 576-7606
7 Facsimile: (213) 576-7181

8 Attorneys for Complainant

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

12 In the Matter of:) OAH CASE NO. 2020110213
)
13 THE COMMISSIONER OF FINANCIAL) NMLS LICENSE NO. 141159
14 PROTECTION AND INNOVATION,)
) SETTLEMENT AGREEMENT
15 Complainant,)
16 v.) Hearing Dates: January 5-7, 2021
) Hearing Time: 9:00 a.m.
17 JACOB WILLIAM COKER,) Location: 320 West 4th Street, Suite 630
) Los Angeles, CA 90013
18 Respondent.)
) Judge: H. Stuart Waxman

19
20 This Settlement Agreement (Settlement Agreement) is entered into between Respondent
21 Jacob William Coker (Coker) and Complainant, the Acting Commissioner of Financial Protection
22 and Innovation (Commissioner), and is made with respect to the following facts:

23 **I.**

24 **RECITALS**

25 A. The Commissioner is authorized to administer and enforce the provisions of the
26 California Residential Mortgage Lending Act (CRMLA) (Fin. Code section 50000 et seq.) and the
27 rules and regulations promulgated thereunder.

28 ///

1 B. Coker is a mortgage loan originator (MLO) licensed by the Commissioner under the
2 CRMLA (license number CA-DBO 141159) since March 13, 2018. Coker’s license is currently in
3 “Inactive” status.

4 C. On June 8, 2020, the Commissioner issued Coker a notice of intention and accusation
5 (collectively, Accusation) to revoke Coker’s MLO license under Financial Code section 50513,
6 alleging that Coker has not demonstrated such financial responsibility, character, and general fitness
7 as to command the confidence of the community and to warrant a determination that he will operate
8 honestly, fairly, and efficiently as a mortgage loan originator.

9 D. The Commissioner’s Accusation against Coker alleged that he knew or participated in
10 unlawful and unlicensed mortgage loan origination activity, for example: (a) the creation and use of
11 a fake internet domain name with corresponding emails; (b) the use of a fraudulent NMLS number;
12 and (c) use of a mortgage loan originator license by an unlicensed individual to conceal unlicensed
13 activity.

14 E. Coker timely filed his notice of defense with the Commissioner on June 23, 2020.
15 The Office of Administrative Hearings (OAH) scheduled a hearing in this matter to begin on
16 March 16, 2021. On March 16, 2021, the hearing began but during the Commissioner’s case-in-
17 chief was ordered continued to a later date. The hearing in this matter is set to resume on January 5,
18 2022.

19 F. Coker neither admits nor denies any of the allegations and conclusions of law in the
20 Accusation or in the summary of the Accusation in Paragraph D above.

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. This Settlement resolves the issues before the Commissioner described
26 above in the Recitals 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 CRMLA.

1 2. Acknowledgement. Coker acknowledges that the Commissioner issued and served
2 him with the Accusation in which the Commissioner determined that Coker had violated the
3 CRMLA and did not meet the minimum criteria to hold an MLO license under Financial
4 Code sections 50513, 50141, and 50144 as described in the Accusation.

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

12 4. Past Suspension of License. For the period between June 8, 2020 and July 8, 2020,
13 the Commissioner will deem Coker’s MLO license suspended.

14 5. Reporting Requirement. Coker agrees during the 24-month period from the effective
15 date of this Settlement Agreement as defined in paragraph 27 (the Probationary Period), Coker shall
16 report to the Commissioner within 15 days any disciplinary investigations or actions against Coker
17 by any licensing agencies, any criminal investigations, prosecutions, or convictions against Coker,
18 or any civil judgments against Coker. Traffic citations shall be excluded.

19 6. Probationary Period. Coker further agrees that during the 24-month Probationary
20 Period, he will not violate any provision of the CRMLA or any rule, regulation, or law under the
21 jurisdiction of the Commissioner, the state of California, the United States of America, or any state
22 or foreign government or political subdivision thereof, or be convicted of a crime.

23 7. Continuing Education. During the Probationary Period, Coker agrees to take at least
24 an additional three hours of continuing education in addition to the eight hours required under
25 Financial Code sections 22109.5 and 50145. Courses and providers must be approved by the
26 NMLS. Coker agrees to submit proof of compliance to the Commissioner. The first report is due
27 on October 31, 2022. The second report is due on October 31, 2023. Should a reporting deadline
28 fall on a Saturday, Sunday, or state holiday, the report must be received by the Commissioner’s

1 agent by the following business day.

2 8. Reimbursement of Litigation Costs. Coker shall reimburse the Commissioner for
3 litigation costs incurred in the amount of \$3,000, to be remitted within 10 business days of the
4 effective date of this Settlement Agreement as defined in paragraph 27. These litigation costs must
5 be made payable in the form of a cashier’s check or Automated Clearing House deposit to the
6 Department of Financial Protection and Innovation and transmitted to the attention of Accounting—
7 Litigation, at the Department of Financial Protection and Innovation, 2101 Arena Boulevard,
8 Sacramento, California 95834. Notice of each payment must be concurrently sent to Marlou de
9 Luna at the notice address stated in paragraph 24. Should the payment deadline fall on a Saturday,
10 Sunday, or state holiday, the payment must be transmitted by the following business day.

11 9. Remedy for Breach. Coker acknowledges that failure to comply with the provisions
12 of this Settlement Agreement, as set forth in paragraphs 5 through 8 above, shall be deemed a
13 breach. In the event of a breach of this Settlement Agreement, the Commissioner may provide
14 written notice of such breach and the opportunity to cure the breach. Coker must cure the breach to
15 the satisfaction of the Commissioner within 30 days after the date on the notice. The
16 Commissioner’s Notice and Coker’s Proof of Cure will be sent via email to the parties listed in
17 paragraph 24. If Coker fails to cure the breach or comply under the original terms of this Settlement
18 Agreement the Commissioner may immediately revoke or deny any license held by or applied for by
19 Coker. With respect to unresolved complaints or actions without final judgments, the term “cure”
20 shall include, without limitation: providing the Commissioner with a detailed plan toward resolution
21 of the complaint or action. The Commissioner shall determine in his sole discretion whether Coker
22 cured the complaint or action and whether any extensions shall be granted.

23 10. MLO License. The Commissioner acknowledges that Coker’s MLO license remains
24 in “Approved-Inactive” status and will remain in such status until he obtains sponsorship by an
25 appropriate licensee, meets all statutory requirements under the CRMLA, and the Commissioner
26 approves the sponsorship in due course. Notwithstanding any other provision of this Settlement
27 Agreement, the Commissioner agrees that the circumstances underlying the Accusation and this
28 Settlement Agreement shall not be the sole basis for denial of any future application submitted by

1 Coker.

2 11. Full and Final Settlement. The parties hereby acknowledge and agree that the
3 Settlement Agreement is intended to constitute a full, final, and complete resolution of Coker’s
4 violations of the CRMLA as identified and alleged herein. No further proceedings or actions will
5 be brought by the Commissioner in connection with this matter, or any other provision of law,
6 excepting any proceeding to enforce compliance with the terms of the Settlement Agreement.

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

11 13. Independent Legal Advice. Each of the parties represents, warrants, and agrees that it
12 has received independent advice from its attorneys or representatives with respect to the advisability
13 of executing this Settlement Agreement.

14 14. Assisting Other Agencies. Nothing in this Settlement Agreement limits the
15 Commissioner’s ability to assist a government agency (whether city, county, state, or federal) with
16 any administrative, civil or criminal action brought by that agency against Coker or any other person
17 based upon any of the activities alleged in this matter or otherwise.

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

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

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

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

5 18. Waiver, Amendments, and Modifications. No waiver, amendment, or modification of
6 this Settlement Agreement will be valid or binding unless it is in writing and signed by each of the
7 parties. The waiver of any provision of this Settlement Agreement will not be deemed a waiver of
8 any other provision. No waiver by either party of any breach of, or of compliance with, any
9 condition or provision of this Settlement Agreement by the other party will be considered a waiver
10 of any other condition or provision or of the same condition or provision at another time.

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

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

21 21. Counterparts. The parties agree that this Settlement Agreement may be executed in
22 one or more counterparts, each of which, when so executed, shall be deemed an original. A
23 facsimile or scanned signature shall be deemed the same as an original signature. Such counterparts
24 together constitute one document.

25 22. Mandatory Disclosure in Future Applications. Coker agrees to disclose this
26 Settlement Agreement in any application for a license, permit, or qualification under the
27 Commissioner’s current or future jurisdiction.

28 ///

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

6 24. Notice. Any notice required under the Settlement Agreement shall be provided to
7 each party at the following addresses:

8 Respondent: Jacob William Coker
9 c/o Jehan Jayakumar
10 CARLSON & JAYAKUMAR LLP
11 2424 S.E. Bristol Street., Suite. 300
12 Newport Beach, California 92660
13 Jehan@cjattorneys.com

14 Commissioner: Marlou de Luna
15 Senior Counsel
16 Department of Financial Protection and Innovation
17 320 W. 4th Street, Suite 750
18 Los Angeles, California 90013
19 Marlou.deluna@dfpi.ca.gov

20 25. Signatures. A fax or electronic mail signature shall be deemed the same as an
21 original signature.

22 26. Public Record. Coker hereby acknowledges that this Settlement Agreement is and
23 will be a matter of public record.

24 27. Effective Date. This Settlement Agreement shall become final and effective when
25 signed by all parties and delivered by the Commissioner’s agent via e-mail to Coker at
26 Jehan@cjattorneys.com.

27 28. Authority to Sign. Each signatory hereto covenants that he/she possesses all
28 necessary capacity and authority to sign and enter into this Settlement Agreement and undertake the
obligations set forth herein.

///

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 this Settlement Agreement on the dates set forth opposite their respective signatures.

CHRISTOPHER S. SHULTZ
Acting Commissioner of Financial Protection and Innovation

Dated: November 18, 2021

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

JACOB WILLIAM COKER

Dated: November 18, 2021

By _____
JACOB WILLIAM COKER, Respondent

Approved as to Form

By _____
Jehan Jayakumar
CARLSON & JAYAKUMAR LLP
Attorneys on behalf of
Jacob William Coker