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8  
9 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION  
10 OF THE STATE OF CALIFORNIA

11 In the Matter of: ) CFL LICENSE NO.: 60DBO-87635  
12 THE COMMISSIONER OF FINANCIAL ) NMLS ID: 1727092  
13 PROTECTION AND INNOVATION, ) SETTLEMENT AGREEMENT  
14 Complainant, )  
15 v. )  
16 THOMAS COSTABILE; THE LENDING )  
17 ANSWER; and TLA BANCORP, INC., )  
18 Respondents. )

19  
20 This Settlement Agreement is entered into by and between the Acting Commissioner of  
21 Financial Protection and Innovation (Commissioner) and Respondents Thomas Costabile  
22 (Costabile), TLA Bancorp, Inc. (TLA), and The Lending Answer (collectively, Respondents) and is  
23 made with respect to the following facts:

24 **I.**  
25 **RECITALS**

26 A. The Commissioner has jurisdiction over the licensing and regulation of persons and  
27 entities engaged in the business of finance lending and/or brokering under the California Financing  
28 Law (CFL) (Fin. Code, § 22000 et seq.).

1 B. The Commissioner also has jurisdiction over the licensing and regulation of persons  
2 and entities engaged in the business of lending and/or servicing residential mortgage loans, including  
3 mortgage loan originators pursuant to the California Residential Mortgage Lending Act (CRMLA)  
4 (Fin. Code, § 50000 et seq.).

5 C. At all relevant times, The Lending Answer is an entity of unknown form with a last  
6 known business address at 28030 Dorothy Drive, Suite 304, Agoura Hills, California 91301.

7 D. At all relevant times, TLA Bancorp, Inc. (TLA Bancorp) is a California corporation  
8 and licensed finance lender and broker (CFL license number 60DBO-87635) with principal place of  
9 business at 29209 Canwood Street, Suite 210, Agoura Hills, California 91301. TLA Bancorp  
10 employs at least one mortgage loan originator.

11 E. At all relevant times, Thomas Costabile (Costabile) is an individual residing in  
12 Newbury Park, California, and a mortgage loan originator (NMLS ID 1727092) licensed by the  
13 Commissioner on or around June 7, 2018. Costabile is the president of The Lending Answer and the  
14 100% owner, president, and chief executive officer of TLA Bancorp.

15 F. On or around July 9, 2018, in connection with TLA Bancorp’s pending application  
16 for a CFL license, Costabile stated, “In RE: The Lending Answer, if we’re approved with TLA  
17 Bancorp, Inc. by the DBO, this company will be dissolved or placed as a DBA to TLA Bancorp, Inc.  
18 Essentially, if TLA Bancorp, Inc. is approved, this will be Thomas Costabile’s sole responsibility of  
19 operation . . . .”

20 G. On or around September 5, 2018, in connection with TLA Bancorp’s pending  
21 application for a CFL license, Costabile further stated, “The Lending Answer markets to Licensed  
22 Professionals only. The Lending Answer has never originated a loan since its inception *nor does it*  
23 *market to consumers . . . it never works* or has worked with consumers . . . .” (Emphasis applied.)

24 H. On or around September 21, 2018, TLA Bancorp obtained its finance lender and  
25 broker license.

26 I. The Lending Answer has never obtained any license under the CFL or CRMLA.

27 J. Neither Costabile nor TLA Bancorp has ever obtained authorization to use the name,  
28 The Lending Answer, or the address 28030 Dorothy Drive, Suite 304, Agoura Hills, California

1 91301, to engage in the business of finance lending or brokering under the CFL or to engage in the  
2 business of a residential mortgage lender, servicer, or mortgage loan originator under the CRMLA.

3 K. On April 28, 2021, pursuant to Financial Code sections 22714, 50513, and 50327,  
4 the Commissioner issued to TLA Bancorp and Costabile the Notice of Intent to Issue Orders  
5 Revoking Licenses and Imposing Penalties; Accusation; Statement to Respondent; Government  
6 Code sections 11507.5, 11507.6, and 11507.7; and blank Notice of Defense (Accusation), which is  
7 incorporated herein by this reference.

8 L. Also on April 28, 2021, the Commissioner issued Desist and Refrain Orders and  
9 Citations (Orders), which are incorporated herein by this reference, as follows:

10 i. To The Lending Answer pursuant to Financial Code section 22712, for unlicensed  
11 finance lending or brokering in violation of Financial Code section 22100 and making false,  
12 misleading, deceptive representations in violation of Financial Code section 22161;

13 ii. To TLA Bancorp pursuant to Financial Code section 22712, for making false,  
14 misleading, deceptive representations in violation of Financial Code section 22161; and using an  
15 unauthorized name and address in violation of Financial Code section 22155; and

16 iii. To Costabile pursuant to Financial Code sections 22712 and 50513, for making  
17 false, misleading, deceptive representations in violation of Financial Code section 22161; using an  
18 unauthorized name and address in violation of Financial Code section 22155; knowingly or  
19 recklessly making, or causing to be made any misstatement or omission of material fact pertaining  
20 to a loan or loan servicing, in violation of Financial Code section 50503(a)(2); engaging in business  
21 under a name not approved by the Commissioner, in violation of California Code of Regulations,  
22 title 10, section 1950.122.5(h); and providing brokerage services using an unlicensed entity and  
23 failing to disclose his NMLS ID in violation of Financial Code sections 50700 and 50701(c).

24 M. On or around May 26, 2021, The Lending Answer, TLA Bancorp, and Costabile  
25 were served via certified mail with the Orders at their business address on file.

26 N. On or around June 17, 2021, TLA Bancorp and Costabile were served via certified  
27 mail with the Accusation at their business address on file.

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1 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions  
2 contained herein, the Commissioner and Respondents (the Parties) agree as follows:

3  
4 **II.**

5 **TERMS AND CONDITIONS**

6 1. Purpose. This Settlement Agreement resolves the issues before the Commissioner set  
7 forth in Paragraphs A through N above in a manner that avoids the expense of a hearing and other  
8 possible court proceedings, protects consumers, is in the public interest, and is consistent with the  
9 purposes, policies, and provisions of the CFL and CRMLA.

10 2. Final Desist and Refrain Orders and Citations. Respondents admit to the allegations  
11 in the Orders and agree that the Orders are final.

12 3. Penalty. Respondents shall pay a penalty in the amount of \$30,000.00 for the  
13 violations set forth in the Orders and Accusation by no later than 30 calendar days after the Effective  
14 Date of this Settlement Agreement as defined in Paragraph 25 below. The penalty shall be made  
15 payable in the form of a cashier's check or Automated Clearing House deposit to the Department of  
16 Financial Protection and Innovation and transmitted to the attention of Accounting – Litigation, at  
17 the Department of Financial Protection and Innovation, 2101 Arena Boulevard, Sacramento,  
18 California 95814-2306, with notice of the payment concurrently sent to Sophia C. Kim via e-mail at:  
19 Sophia.Kim@dfpi.ca.gov.

20 4. Suspension of CFL License. Pursuant to Financial Code section 22714, subdivision  
21 (a), TLA Bancorp's finance lender and broker license (CFL license number 60DBO-87635) shall be  
22 suspended for a period of 90 calendar days starting from the Effective Date of this Settlement  
23 Agreement as defined in Paragraph 25 below.

24 5. Surrender of MLO License. On the Effective Date of this Settlement Agreement as  
25 defined in Paragraph 25 below, Costabile agrees to the immediate surrender of his mortgage loan  
26 originator license issued by the Commissioner (NMLS ID 1727092). Costabile further agrees that  
27 he will not apply for a new mortgage loan originator license in California for a period of 90 calendar  
28 days from the Effective Date of this Settlement Agreement as defined in Paragraph 25 below.

1 Should Costabile apply for a mortgage loan originator license from the Commissioner during that 90  
2 calendar day-period, that license application shall be deemed denied.

3 6. Waiver of Hearing Rights. Respondents acknowledge that the Commissioner is  
4 ready, willing, and able to proceed with the administrative enforcement actions on the charges  
5 contained in the Orders and Accusation. Respondents hereby waive the right to any hearings, and to  
6 any reconsiderations, appeal, or other right to review which may be afforded pursuant to the CFL,  
7 CRMLA, the California Administrative Procedure Act, the California Code of Civil Procedure, or  
8 any other provision of law. By waiving such rights, Respondents effectively consent to this  
9 Settlement Agreement becoming final.

10 7. Failure to Comply with Settlement Agreement. Respondents agree that if they fail to  
11 comply with the terms of this Settlement Agreement, the Commissioner may, in addition to all other  
12 available remedies he may invoke under the CFL and/or CRMLA, deny any application and/or  
13 summarily suspend or revoke any license granted by the Commissioner to Respondents.  
14 Respondents waive any notice and hearing rights to contest such denial or summary suspension or  
15 revocation which may be afforded under the CFL, CRMLA, the California Administrative Procedure  
16 Act, the California Code of Civil Procedure, or any other provision of law in connection therewith.

17 8. Information Willfully Withheld or Misrepresented. This Settlement Agreement may  
18 be revoked and the Commissioner may pursue any and all remedies available under law against  
19 Respondents if the Commissioner discovers that Respondents knowingly or willfully withheld or  
20 misrepresented information used for and relied upon in this Settlement Agreement.

21 9. Future Actions by Commissioner. If Respondents fail to comply with any terms of  
22 the Settlement Agreement or Orders, the Commissioner may institute proceedings for any and all  
23 violations otherwise resolved under this Settlement Agreement and the subject matter hereof shall be  
24 admitted for the purpose of such actions. The Commissioner reserves the right to bring any future  
25 actions against Respondents, or any of their partners, owners, officers, shareholders, directors,  
26 employees or successors for any and all unknown violations of the CFL and/or CRMLA.

27 10. Assisting Other Agencies. Nothing in this Settlement Agreement limits the  
28 Commissioner's ability to assist any other government agency (city, county, state, or federal) with

1 any prosecution, administrative, civil or criminal brought by that agency against Respondents or any  
2 other person based upon any of the activities alleged in this matter or otherwise.

3 11. Headings. The headings to the paragraphs of this Settlement Agreement are inserted  
4 for convenience only and will not be deemed a part hereof or affect the construction or interpretation  
5 of the provisions hereof.

6 12. Binding. This Settlement Agreement is binding on all heirs, assigns, and/or  
7 successors in interest.

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

17 14. No Presumption Against Drafting Party. Each Party acknowledges that it has had the  
18 opportunity to draft, review, and edit the language of this Settlement Agreement. Accordingly, the  
19 Parties intend that no presumption for or against the drafting Party will apply in construing any part  
20 of this Settlement Agreement. The Parties waive the benefit of Civil Code section 1654 as amended  
21 or corresponding provisions of any successor statute, which provide that in cases of uncertainty,  
22 language of a contract should be interpreted most strongly against the Party that caused the  
23 uncertainty to exist.

24 15. Independent Legal Advice. Each of the Parties represents, warrants, and agrees that it  
25 has received independent advice from its attorney(s) and/or representatives with respect to the  
26 advisability of executing this Settlement Agreement.

27 16. Waiver, Amendments, and Modifications. No waiver, amendment, or modification of  
28 this Settlement Agreement will be valid or binding unless it is in writing and signed by each of the

1 Parties. The waiver of any provision of this Settlement Agreement will not be deemed a waiver of  
2 any other provision. No waiver by either Party of any breach of, or of compliance with, any  
3 condition or provision of this Settlement Agreement by the other Party will be considered a waiver  
4 of any other condition or provision or of the same condition or provision at another time.

5 17. Full Integration. This Settlement Agreement is the final written expression and the  
6 complete and exclusive statement of all the agreements, conditions, promises, representations, and  
7 covenants between the Parties with respect to the subject matter hereof, and supersedes all prior or  
8 contemporaneous agreements, negotiations, representations, understandings, and discussions  
9 between and among the Parties, their respective representatives, and any other person or entity, with  
10 respect to the subject matter covered hereby.

11 18. Governing Law. This Settlement Agreement shall be construed and enforced in  
12 accordance with and governed by California law.

13 19. Counterparts. This Settlement Agreement may be executed in one or more separate  
14 counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall  
15 together constitute a single document.

16 20. Effect Upon Future Proceedings. If Respondents apply for any license, permit or  
17 qualification under the Commissioner's current or future jurisdiction, or are the subject of any future  
18 action by the Commissioner to enforce this Settlement Agreement, then the subject matter hereof  
19 shall be admitted for the purpose of such application(s) or enforcement proceeding(s). In  
20 consideration for Respondents' agreeing to the terms of this Settlement Agreement the Department  
21 will review and consider any future application and this Settlement Agreement will not be the sole  
22 basis of any action to deny such application.

23 21. Voluntary Agreement. Respondents enter into this Settlement Agreement voluntarily  
24 and without coercion and acknowledge that no promises, threats or assurances have been made by  
25 the Commissioner or any officer, or agent thereof, about this Settlement Agreement. The Parties  
26 each represent and acknowledge that he, she or it is executing this Settlement Agreement completely  
27 voluntarily and without any duress or undue influence of any kind from any source.

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1           22.    Notice. Any notice required under this Settlement Agreement shall be provided to  
2 each Party at the following addresses:

3           To Respondents:

4                   Thomas Costabile, 29209 Canwood Street, Suite 210, Agoura Hills, California  
5                   91301; tom.costabile@gmail.com.

6           To the Commissioner:

7                   Sophia C. Kim, Senior Counsel, Enforcement Division, Department of Financial  
8                   Protection and Innovation, 320 West 4<sup>th</sup> Street, Suite 750, Los Angeles, California  
9                   90013; Sophia.Kim@dfpi.ca.gov.

10          23.    Signatures. A fax or electronic mail signature shall be deemed the same as an  
11 original signature.

12          24.    Public Record. Respondents hereby acknowledge that this Settlement Agreement is  
13 and will be a matter of public record.

14          25.    Effective Date. This Settlement Agreement shall become final and effective when  
15 signed by all Parties and delivered by the Commissioner’s counsel via e-mail to Respondents at  
16 tom.costabile@gmail.com.

17          26.    Authority to Sign. Each signatory hereto covenants that he/she possesses all  
18 necessary capacity and authority to sign and enter into this Settlement Agreement and undertake the  
19 obligations set forth herein.  
20

21 Dated: 11/29/21

CHRISTOPHER S. SHULTZ  
Acting Commissioner of Financial Protection and Innovation

22  
23 By \_\_\_\_\_  
MARY ANN SMITH  
24 Deputy Commissioner  
25 Enforcement Division

26 Dated: 11/23/21

27 By \_\_\_\_\_  
THOMAS COSTABILE, Individually and as  
28 President and Chief Executive Officer on behalf of  
THE LENDING ANSWER and  
TLA BANCORP, INC.