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7 Attorneys for Complainant

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

10	In the Matter of:)	NMLS NO.: 1008238
11	THE COMMISSIONER OF FINANCIAL)	
12	PROTECTION AND INNOVATION,)	CONSENT ORDER
13	Complainant,)	
14	v.)	
15	JOHN MICHAEL PETERSEN,)	
16	Respondent.)	

17
18 This Consent Order is entered into between the Commissioner of Financial Protection and
19 Innovation (Commissioner) and John Michael Petersen (Petersen), and is made with respect to the
20 following facts:

21 **I.**

22 **Recitals**

23 A. The Commissioner has jurisdiction over the licensing and regulation of persons
24 engaged in the business of making or brokering residential mortgage loans, including mortgage loan
25 originators, under the California Financing Law (CFL) (Fin. Code, § 22000 et seq.). The
26 Commissioner also has jurisdiction over the licensing and regulation of persons engaged in the
27 business of making or servicing residential mortgage loans, including mortgage loan originators,
28 under the California Residential Mortgage Lending Act (CRMLA) (Fin. Code, § 50000 et seq.).

1 B. On June 14, 2021, Petersen applied to the Commissioner for a mortgage loan
2 originator (MLO) license under the CFL and CRMLA.

3 C. In his initial application filing, Petersen failed to disclose a 2011 revocation of his
4 real-estate salesperson license by the California Department of Real Estate in response to Form
5 MU4 question (K)(5). Only after being prompted by the Commissioner did Petersen disclose the
6 event, in an amended application filing.

7 D. The Commissioner finds that entering into this Consent Order is in the public interest
8 and consistent with the purposes fairly intended by the policy and provisions of the CFL and
9 CRMLA.

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

12 **II.**

13 **Terms and Conditions**

14 1. Purpose. This Consent Order resolves the issues before the Commissioner in a
15 manner that avoids the expense of a hearing and other possible court proceedings, protects
16 consumers, is in the public interest, and is consistent with the purposes and provisions of the CFL
17 and CRMLA.

18 2. Waiver of Hearing Rights. Petersen acknowledges that the Commissioner is ready,
19 willing, and able to proceed with the filing of an administrative enforcement action on the findings
20 described in the recitals above. Petersen hereby waives the right to any hearings and to any
21 reconsideration, appeal, or other right to review which may be afforded by the CFL, CRMLA,
22 California Administrative Procedure Act (APA), California Code of Civil Procedure (CCP), or any
23 other provision of law. By waiving such rights, Petersen effectively consents to the finality of this
24 Consent Order.

25 3. Probationary Period. Petersen agrees that during the 12-month period from the
26 effective date of this Consent Order as defined in paragraph 23 (Probationary Period), if the
27 Commissioner finds that Petersen has violated or is violating any provision of the CFL or CRMLA
28 or any rule, regulation, or law under the jurisdiction of the Commissioner, the state of California,

1 the United States of America, or any state or foreign government or political subdivision thereof,
2 the Commissioner may summarily revoke or deny any license held by or applied for by Petersen.
3 Petersen hereby waives any notice and hearing rights to contest any such revocation or denial which
4 may be afforded under the CFL, CRMLA, APA, CCP, or any other provision of law. Petersen
5 further waives any requirement for the filing of an accusation or statement of issues under
6 Government Code section 11415.60, subdivision (b), in connection with any revocation or denial
7 under this paragraph.

8 4. Reporting Requirement. During the Probationary Period, Petersen shall report to the
9 Commissioner any disciplinary investigation or action against him by any licensing agency; any
10 criminal investigation, prosecution, or conviction; or any civil judgment against him no later than
11 30 days after discovering such investigation, proceeding, action, or judgment. Petersen is not
12 required to report any traffic citations.

13 5. Remedy for Breach. Petersen agrees that failure to satisfy the reporting requirement
14 in paragraph 4 is a breach and cause for the Commissioner to summarily revoke or deny any license
15 held by or applied for by Petersen. Petersen hereby waives any notice and hearing rights to contest
16 any such revocation or denial which may be afforded under the CFL, CRMLA, APA, CCP, or any
17 other provision of law. Petersen further waives any requirement for the filing of an accusation or
18 statement of issues under Government Code section 11415.60, subdivision (b), in connection with
19 any revocation or denial under this paragraph.

20 6. Approval of Application. The Commissioner acknowledges that Petersen’s pending
21 MLO application is ready to be approved, and the Commissioner agrees to approve it on or around
22 the effective date of this Consent Order as defined in paragraph 23.

23 7. Information Willfully Withheld or Misrepresented. This Consent Order may be
24 rescinded, and the Commissioner may pursue any and all remedies available under law against
25 Petersen, if the Commissioner discovers that Petersen knowingly or willfully withheld or
26 misrepresented information used for and relied upon in this Consent Order.

27 8. Future Actions by Commissioner. If Petersen fails to comply with any terms of this
28 Consent Order, the Commissioner may institute proceedings for any and all violations otherwise

1 resolved under this Consent Order. The Commissioner reserves the right to bring any future actions
2 against Petersen for any and all unknown violations of the CFL or CRMLA.

3 9. Assisting Other Agencies. Nothing in this Consent Order limits the Commissioner’s
4 ability to assist any other government agency (city, county, state, or federal) with any
5 administrative, civil, or criminal prosecution brought by that agency against Petersen or any other
6 person based upon any of the activities alleged in this matter or otherwise.

7 10. Headings. The headings to the paragraphs of this Consent Order are inserted for
8 convenience only and will not be deemed a part hereof or affect the construction or interpretation of
9 the provisions hereof.

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

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

21 13. Waiver, Amendments, and Modifications. No waiver, amendment, or modification of
22 this Consent Order will be valid or binding unless it is in writing and signed by each of the parties.
23 The waiver of any provision of this Consent Order will not be deemed a waiver of any other
24 provision. No waiver by either party of any breach of, or of compliance with, any condition or
25 provision of this Consent Order by the other party will be considered a waiver of any other
26 condition or provision or of the same condition or provision at another time.

27 14. Full Integration. This Consent Order is the final written expression and the complete
28 and exclusive statement of all the agreements, conditions, promises, representations, and covenants

1 between the parties with respect to the subject matter hereof, and supersedes all prior or
2 contemporaneous agreements, negotiations, representations, understandings, and discussions
3 between and among the parties, their respective representatives, and any other person or entity, with
4 respect to the subject matter covered hereby.

5 15. Governing Law. This Consent Order will be governed by and construed in
6 accordance with California law. Each of the parties consents to the jurisdiction of a court in
7 California, and hereby irrevocably waives, to the fullest extent permitted by law, the defense of an
8 inconvenient forum to the maintenance of such action or proceeding in such court.

9 16. Counterparts. This Consent Order may be executed in one or more separate
10 counterparts, each of which will be deemed an original when so executed. Such counterparts
11 together will be deemed to constitute a single document.

12 17. Mandatory Disclosure in Future Applications. Petersen agrees to disclose this
13 Consent Order in any application for a license, permit, or qualification under the Commissioner’s
14 current or future jurisdiction.

15 18. Effect Upon Future Proceedings. If Petersen applies for any license, permit, or
16 qualification under the Commissioner’s current or future jurisdiction or is the subject of any future
17 action by the Commissioner to enforce this Consent Order, then the subject matter hereof shall be
18 admitted for the purpose of such application or action.

19 19. Voluntary Agreement. Petersen enters into this Consent Order voluntarily and
20 without coercion and acknowledges that no promises, threats, or assurances have been made by the
21 Commissioner or any officer or agent thereof about this Consent Order. The parties each represent
22 and acknowledge that he, she, or it is executing this Consent Order completely voluntarily and
23 without any duress or undue influence of any kind from any source.

24 20. Notice. Any notice required under this Consent Order shall be provided to Petersen
25 at petersenjohn558@gmail.com or to the Commissioner at Samuel J. Park, Counsel, Department of
26 Financial Protection and Innovation, 320 West 4th Street, Suite 750, Los Angeles, California 90013
27 and samuel.park@dfpi.ca.gov.

28 21. Signatures. A fax or electronic-mail signature will be deemed an original signature.

1 22. Public Record. Petersen hereby acknowledges that this Consent Order is and will be
2 a matter of public record.

3 23. Effective Date. This Consent Order shall become final and effective when signed by
4 all parties and delivered by the Commissioner’s agent via electronic mail to Petersen at
5 petersenjohn558@gmail.com.

6 24. Authority to Sign. Each signatory hereto covenants that he or she possesses all
7 necessary capacity and authority to sign and enter into this Consent Order and undertake the
8 obligations set forth herein.

9
10 Dated: November 10, 2021

CHRISTOPHER S. SHULTZ
Acting Commissioner of Financial Protection and
Innovation

11
12
13 By: _____
MARY ANN SMITH
Deputy Commissioner

14
15
16 Dated: November 4, 2021

JOHN MICHAEL PETERSEN

17
18 By: _____
JOHN MICHAEL PETERSEN