

CLOTHILDE V. HEWLETT
 Commissioner
 MARY ANN SMITH
 Deputy Commissioner
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Attorneys for Complainant

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

In the Matter of:	)	OAH CASE NO.: 2022020228
)	
THE COMMISSIONER OF FINANCIAL	)	NMLS LICENSE NO.: 1326351
PROTECTION AND INNOVATION,)	
	)	SETTLEMENT AGREEMENT
Complainant,)	
	)	Hearing Dates: May 16 – 17, 2022
v.	)	Hearing Time: 9:00 a.m.
	)	Location: 320 West 4th Street, Suite 630
RAMI H. ABI,	)	Los Angeles, CA 90013
	)	Call-In No.: (916) 245-8850
Respondent.	)	Conf. ID: 636 2874 505 #
	)	Judge: Unassigned

This Settlement Agreement (the Settlement Agreement) is entered into between the Commissioner of Financial Protection and Innovation (Commissioner) and Rami H. Abi (Abi or Respondent), and is made with respect to the following facts.

I.

Recitals

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

engaged in the business of making, servicing, or brokering residential mortgage loans, including mortgage loan originators (MLO or MLOs), under the California Financing Law (CFL) (Fin. Code, § 22000 et seq.) and the California Residential Mortgage Lending Act (CRMLA) (Fin. Code, § 50000 et seq.).

B. Abi first received his MLO license from the Commissioner on August 24, 2015.

C. The Commissioner issued Abi her notice of intention and accusation to revoke Abi's MLO license on December 29, 2021, throughout which time Abi maintained an approved-inactive MLO license.

D. Abi timely filed his notice of defense with the Commissioner on or about January 10, 2022.

E. The Commissioner issued and served Abi with her first amended accusation on February 15, 2022.

F. The Commissioner's second amended accusation was issued and served on Abi on March 22, 2022 (the Accusation).

G. Under the provisions of Financial Code sections 22109.1, 22172, and 22755 of the CFL, the Commissioner sought to revoke Abi's MLO license because Abi violated the Nationwide Mortgage Licensing System and Registry (NMLS) student Rules of Conduct (ROC) by using the services of Danny Yen, d/b/a Real Estate Educational Services (Yen) to complete his NMLS-approved online pre-licensure (PE) and/or continuing education (CE) courses, which in turn was a violation of the MLO licensing requirements under the CFL.

H. Specifically, Abi used and compensated Yen to obtain course credit through both an online fraud scheme and an in-person fraud scheme (collectively, the education fraud schemes). In the online fraud scheme, Abi used Yen to complete two online courses on his behalf in 2019. The two courses for which Abi received credit were completed by Yen through an IP address associated with Yen.

I. Additionally, under the in-person fraud scheme, Abi paid Yen to annually report completion of an in-person course for four years from 2017 to 2020. Yen did not teach the in-person course and Abi never attended the in-person course nor completed the course work or test, which he

was required to complete in order to receive course credit.

J. The Commissioner has made the following findings of relevant facts, which include but are not limited to:

1. That Abi admits to being a knowing and active participant in the education fraud schemes coordinated by and implemented by and through Yen;

2. That Abi in fact had PE and/or CE requirements completed by Yen on his behalf in violation of the CSL and federal law;

3. That by participating in the education fraud schemes coordinated by and implemented through Yen, Abi had in fact violated the ROC; and

4. That by participating in the education fraud schemes coordinated by and implemented through Yen, Abi violated the CSL and federal law concerning completing certain PE and/or CE requirements as a mandatory qualification for licensure as an MLO.

K. This matter is currently set for a two-day hearing from May 16-17, 2022, to be held via videoconference before the Office of Administrative Hearings, Los Angeles.

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

II.

Terms

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

2. Acknowledgment. Abi acknowledges that the Commissioner issued and served him with the Accusation in which the Commissioner determined that Abi had violated the CFL and that he did not meet the minimum criteria to hold an MLO license under Financial Code sections 22109.1, 22172, and 22755 and that his license should be revoked as set forth above.

3. Waiver of Hearing Rights. Abi agrees that the Settlement Agreement shall have the effect of withdrawing his request for an administrative hearing on the matters set forth herein. Abi

1 acknowledges his right to an administrative hearing under the CFL in connection with the Accusation
2 and hereby waives such right to a hearing and to any reconsideration, appeal, or other rights which
3 may be afforded him under the CFL, the Administrative Procedure Act (APA) (Gov. Code, § 11340
4 et seq.), the Code of Civil Procedure (CCP) (Code Civ. Proc., § 1 et seq.), or any provision of law in
5 connection with this matter.

6 4. Administrative Penalty. Abi shall pay to the Commissioner an administrative penalty
7 of \$1,000.00 (the Penalty). The Penalty shall be due prior to or concurrent with the execution of the
8 Settlement Agreement and should be made payable to the Commissioner in the form of a cashier's
9 check or Automated Clearing House deposit and transmitted to the attention of Accounting –
10 Enforcement Division, Department of Financial Protection & Innovation, 2101 Arena Boulevard,
11 Sacramento, California 95834. Notice of such payment shall promptly be sent to the attention of
12 Blaine A. Noblett, Senior Counsel, at blaine.noblett@dfpi.ca.gov. Should Abi fail to execute the
13 Settlement Agreement by May 2, 2022, but execute the agreement after May 2, the Penalty shall
14 increase to \$3,000.00 and shall be due prior to or concurrent with the execution of the Settlement
15 Agreement.

16 5. Surrender of License. Abi hereby agrees, as a resolution of this matter, to voluntarily
17 surrender his MLO license to the Commissioner. No later than seven calendar days after the
18 Effective Date of the Settlement Agreement, Abi shall complete all necessary steps to surrender his
19 MLO license to the Commissioner.

20 6. Stipulation Not to Apply for an MLO License for One Year. Abi further agrees, as a
21 resolution of this matter, that he will not apply for a new MLO license for a period of one year from
22 the Effective Date of this Agreement. Should Abi apply for such a license during that one-year
23 period, that license application, as consented to by Abi herein, shall be deemed denied and Abi
24 waives any hearing rights he may have to contest such denial under the CFL, CRMLA, APA, CCP,
25 or any other provision of law in connection with this matter.

26 7. Education. Prior to the submission of an application for a new MLO license, Abi
27 must complete the following MLO education requirements (the education provision):

28 a. Twenty hours of NMLS-approved PE, which shall consist of 14 hours of

1 federal law curriculum, three hours of ethics curriculum, and three hours of non-traditional
2 mortgage lending curriculum. None of these 20 hours of PE may be state-specific curriculum; and

3 b. Eight hours of NMLS-approved CE, which shall consist of four hours of
4 federal law curriculum, two hours of ethics curriculum, and two hours of non-traditional mortgage
5 lending curriculum. None of these eight hours of CE may be state-specific curriculum.

6 c. Abi may not take any of the PE or CE provided for under the Settlement
7 Agreement in an online self-study format (OSS).

8 d. Abi further agrees that in order to receive the course credit under the
9 Settlement Agreement, he must complete the courses in one of a traditional classroom format;
10 classroom equivalent (live webinar) format; or an online instructor-led format. The formats require
11 that the instructor be able to see the Respondent, verify the Respondent's identity, and confirm that
12 the Respondent is present throughout the entirety of the course.

13 e. For a period three years from the Effective Date of the Settlement
14 Agreement, Abi shall be required to complete any additional required PE and/or CE in a format
15 other than OSS.

16 f. Should Abi apply for a new MLO license without having satisfied the
17 education provision as set forth in this paragraph, that license application, as consented to by Abi
18 herein, shall be deemed denied and Abi waives any hearing rights he may have to contest such
19 denial under the CFL, CRMLA, APA, CCP, or any other provision of law in connection with this
20 matter.

21 8. New Application for Licensure. Any time after the one-year period has lapsed from
22 the Effective Date of the Settlement Agreement; Abi has paid the Penalty as set forth in the
23 Settlement Agreement; and satisfied the education provision as set forth in the Settlement
24 Agreement, Abi may apply for a new MLO license with the understanding that the Commissioner
25 reserves the right to fully investigate such application for licensure and may either approve or deny
26 such application pursuant to the normal process for such licensing investigations. No license
27 application described in this paragraph will be denied solely based on the facts, circumstances, or
28 consensual resolution provided for in the Settlement Agreement. Abi further acknowledges and

1 agrees that he must satisfy the education provision prior to submitting an application for a new
2 MLO license.

3 9. Revocation of License. To the extent that Abi engages in similar activity, which was
4 the basis for the Settlement Agreement, Abi affirmatively consents to the immediate revocation of
5 the impacted MLO license. Abi further agrees to waive his right to a hearing, and to any
6 reconsideration, appeal, or other rights which may be afforded him to contest such revocation of the
7 impacted license under the CFL, CRMLA, APA, CCP, or any other provision of law, including the
8 requirement that the Commissioner issue an accusation under Government Code section 11415.60.

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

14 11. Information Willfully Withheld. The Settlement Agreement may be revoked, and the
15 Commissioner may pursue any and all remedies under the CFL against Abi if the Commissioner
16 discovers Abi knowingly or willfully withheld information or misrepresented information used for
17 and relied upon in this Settlement Agreement.

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

23 13. Binding. The Settlement Agreement is binding on all heirs, assigns, or successors in
24 interest.

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

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

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

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

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

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

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

Respondent:	Rami H. Abi
	836 Adlena Drive
	Fullerton, California 92833

with Copy to: Seth Weinstein, Esq.
Law Offices of Seth Weinstein, P.C.
15260 Ventura Blvd. Suite 1200
Sherman Oaks, California 91403
sweinsteinlaw@gmail.com

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

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

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

23. Public Record. Abi hereby acknowledges that the Settlement Agreement is and will be a matter of public record.

24. Effective Date. The Settlement Agreement shall become final and effective when signed by all parties and delivered by the Commissioner's agent via e-mail to Abi's counsel of record Seth Weinstein at the following email address: sweinsteinlaw@gmail.com.

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

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and
Innovation

Dated: May 4, 2022

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

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RAMI H. ABI

Dated: May 1, 2022

By _____
RAMI H. ABI, Respondent

Approved as to Form and Content

By May 2, 2022
Seth Weinstein, Esq.
Law Offices of Seth Weinstein, P.C.
Attorneys on behalf of
Rami H. Abi