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Commissioner
2 MARY ANN SMITH
Deputy Commissioner
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10 Attorneys for Complainant

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

13 In the Matter of:)	OAH CASE NO.: 2022050894
)	
14 THE COMMISSIONER OF FINANCIAL)	NMLS LICENSE NO.: 288651
15 PROTECTION AND INNOVATION,)	
)	SETTLEMENT AGREEMENT
16 Complainant,)	
)	Hearing Dates: November 14 – 15, 2022
17 v.)	Hearing Time: 9:00 a.m.
)	Location: 320 West 4th Street, Suite 630
18 MICHAEL JON CASSO,)	Los Angeles, CA 90013
)	Call-In No.: (669) 254-5252
19 Respondent.)	Conf. ID: 161 477 7068
)	Judge: Unassigned
)	

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23 This Settlement Agreement (the Settlement Agreement) is entered into between the
24 Commissioner of Financial Protection and Innovation (Commissioner) and Michael Jon Casso
25 (Respondent) 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.) and the California Residential Mortgage Lending Act (CRMLA) (Fin. Code, § 50000
4 et seq.).

5 B. Respondent first received an MLO license from the Commissioner on June 27, 2012.

6 C. The Commissioner issued Respondent her notice of intention and accusation to revoke
7 Respondent's MLO license on April 11, 2022, throughout which time Respondent maintained an
8 approved-inactive MLO license.

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

15 E. Specifically, Respondent used and compensated Yen to obtain course credit through
16 an in-person education fraud scheme (education fraud scheme). Under the education fraud scheme,
17 Respondent paid Yen to report completion of an in-person course for four years from 2017 to 2020.
18 Yen did not teach the in-person course and Respondent never attended the in-person course nor did
19 he complete the course work or test, which Respondent was required to complete in order to receive
20 course credit.

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

23 1. That Respondent was a knowing and active participant in the education fraud
24 scheme coordinated by and implemented by and through Yen;

25 2. That Respondent in fact had CE requirements completed by Yen on
26 Respondent behalf in violation of the CFL and federal law;

27 3. That by participating in the education fraud scheme coordinated by and
28 implemented through Yen, Respondent had in fact violated the ROC; and

1 reconsideration, appeal, or other rights which may be afforded Respondent under the CFL, the
2 Administrative Procedure Act (APA) (Gov. Code, § 11340 et seq.), the Code of Civil Procedure
3 (CCP) (Code Civ. Proc., § 1 et seq.), or any provision of law in connection with this matter.

4 4. Administrative Penalty. Respondent shall pay to the Commissioner an administrative
5 penalty of \$1,000.00 (Penalty). The Penalty shall be due prior to or concurrent with the execution of
6 the Settlement Agreement and should be made payable to the Commissioner in the form of a
7 cashier's check or Automated Clearing House deposit and transmitted to the attention of Accounting
8 – Enforcement Division, Department of Financial Protection & Innovation, 2101 Arena Boulevard,
9 Sacramento, California 95834. Notice of such payment shall promptly be sent to the attention of
10 Blaine A. Noblett, Senior Counsel, at blaine.noblett@dfpi.ca.gov. Should Respondent fail to execute
11 the Settlement Agreement by August 26, 2022, but execute the agreement after August 26, 2022, the
12 Penalty shall increase to \$3,000.00 and shall be due prior to or concurrent with the execution of the
13 Settlement Agreement.

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

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

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

27 a. Twenty hours of non-state-specific NMLS-approved PE, which shall consist
28 of 14 hours of federal law curriculum, three hours of ethics curriculum, and three hours of non-

1 traditional mortgage lending curriculum. None of these 20 hours of PE may be state-specific
2 curriculum; and

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

7 c. Two hours of state-specific (California-DFPI) NMLS-approved PE, which
8 shall consist of training related to relevant California law and regulations pursuant Financial Code
9 section 22109.2, subdivision (a)(4).

10 d. Respondent may not take any of the PE or CE provided for under the
11 Settlement Agreement in an online self-study format (OSS).

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

17 f. For a period three years from the Effective Date of the Settlement
18 Agreement, Respondent shall be required to complete any additional required PE or CE in a format
19 other than OSS.

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

25 8. New Application for Licensure. Any time after the six-month period has lapsed from
26 the Effective Date of the Settlement Agreement; Respondent has paid the Penalty as set forth in the
27 Settlement Agreement; and satisfied the education provision as set forth in the Settlement
28 Agreement, Respondent may apply for a new MLO license with the understanding that the

1 Commissioner reserves the right to fully investigate such application for licensure and may either
2 approve or deny such application pursuant to the normal process for such licensing investigations.
3 No license application described in this paragraph will be denied solely based on the facts,
4 circumstances, or consensual resolution provided for in the Settlement Agreement. Respondent
5 further acknowledges and agrees that Respondent must satisfy the education provision prior to
6 submitting an application for a new MLO license.

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

14 10. Full and Final Settlement. The parties hereby acknowledge and agree that the
15 Settlement Agreement is intended to constitute a full, final, and complete resolution of the activities
16 alleged in the Accusation as identified herein. No further proceedings or actions will be brought by
17 the Commissioner in connection with this matter, or any other provision of law, excepting any
18 proceeding to enforce compliance with the terms of the Settlement Agreement.

19 11. Information Willfully Withheld. The Settlement Agreement may be revoked, and the
20 Commissioner may pursue any and all remedies under the CFL against Respondent if the
21 Commissioner discovers Respondent knowingly or willfully withheld information or
22 misrepresented information used for and relied upon in this Settlement Agreement.

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

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

1 interest.

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

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

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

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

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

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

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

3 Respondent: Michael Casso
4 90 Conastoga Dr.
5 Carson City, Nevada 89706

6 Commissioner: Blaine A. Noblett
7 Senior Counsel
8 Department of Financial Protection and Innovation
9 320 W. 4th Street, Suite 750
10 Los Angeles, California 90013
11 blaine.noblett@dfpi.ca.gov

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

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

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

18 24. Effective Date. The Settlement Agreement shall become final and effective when
19 signed by all parties and delivered by the Commissioner’s agent via e-mail to Respondent at the
20 following email address: tim@relawapc.com.

21 [Signature page to follow]

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

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CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and
Innovation

Dated: August 9, 2022

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

MICHAEL JON CASSO

Dated: August 11, 2022

By _____
MICHAEL JON CASSO, Respondent

APPROVED AS TO FORM:

RELAW, APC

By: _____
Timothy S. Camarena, Esq.
Attorneys for Michael Jon Casso