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

12 In the Matter of: ) NMLS NO.: 1937501  
13 )  
14 THE COMMISSIONER OF FINANCIAL )  
PROTECTION AND INNOVATION, ) CONSENT ORDER  
15 )  
16 Complainant, )  
17 v. )  
18 FUNDING GROWTH FINANCIALS, INC.; )  
YUSEF KHALED ODEH, )  
19 Respondents. )  
20 \_\_\_\_\_ )  
21 )

22 This Consent Order is entered into by and between the Commissioner of Financial Protection  
23 and Innovation (Commissioner) and Funding Growth Financials, Inc. (FGF) and Yusef Khaled Odeh  
24 (Odeh).

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I.

**RECITALS**

This Consent Order is made with reference to the following facts:

A. The Department of Financial Protection and Innovation (Department), through the Commissioner, has jurisdiction over the licensing and regulation of persons and entities engaged in the business of lending and brokering pursuant to the California Financing Law (Fin. Code, § 22000, et seq.) (CFL). The Commissioner also has jurisdiction over the licensing and regulation of persons engaged in the business of making or servicing residential mortgage loans, including mortgage loan originators, under the California Residential Mortgage Lending Act (CRMLA) (Fin. Code, § 50000 et seq.).

B. FGF is a California corporation created in 2020 with its principal place of business at 301 S. China Lake Blvd., Suite D, Ridgecrest, California 93555. FGF’s statement of incorporation submitted to the California Secretary of State on March 2, 2020, stated that at that time it engaged in the business of “lending.”

C. Odeh is the Chief Executive Officer and sole director of FGF and is authorized to enter into this Consent Order on behalf of FGF.

D. The Commissioner has not issued a license to FGF or Odeh, authorizing them to engage in the business of a finance lender and/or broker under the California Financing Law. Moreover, neither FGF nor Odeh are exempt from the licensing requirements of California Financial Code section 22100.

**FGF’s Advertisement of Lending Products**

E. On December 16, 2019, Odeh entered into a contract with a third-party consulting company (TPC) pursuant to which the TPC agreed to train and support Odeh to enter the lending and financial service industry. The TPC agreed to create a fully operational website including contact forms and a URL for FGF. The TPC also agreed to design and develop FGF’s marketing materials, including business cards, company logo, and social media profiles.

F. On December 18, 2019, Odeh wired \$20,000.00 to the TPC to pay for the services being provided pursuant to the contract.

1 G. Beginning in or around January 2020, as part of the services paid for by FGF, the TPC  
2 created on FGF's behalf a website located at www.fundinggrowthfinancial.com. This website  
3 advertised that FGF could provide various lending products such as "commercial real estate  
4 financing," "business and equipment financing loans," "residential construction loans," as well as  
5 "consumer, personal, and auto loans." Odeh did not own, and could not directly control the contents  
6 of, the FGF website.

7 H. Beginning in or around March 2020, FGF, with guidance and assistance from the  
8 TPC, disseminated print and digital advertisements characterizing itself as a "lending platform," and  
9 stating that it could make residential loans available to consumers with specific rates and terms, so  
10 long as the consumer's credit score was above a certain threshold. FGF also advised that it could  
11 make business loans available that could be used for "anything" the business wanted, and that this  
12 financing was available to persons with "bankruptcies, tax liens, [or] bank turn downs." Despite these  
13 claims, FGF did not originate any loans or provide any other financing product to any California  
14 consumer.

#### 15 **Unlicensed MLO Activity**

16 I. With guidance and training provided by the TPC, beginning in or around  
17 December 2019, Odeh solicited his friends and family regarding residential and commercial loans  
18 that could be obtained through the TPC, working with a California-based mortgage lender. Odeh  
19 referred sixteen different loans to be originated in this manner. Odeh was responsible for identifying  
20 prospects as leads for loans and for receiving the loan applications from the potential borrowers  
21 which would then be sent to the TPC. Based on Odeh's referral, one of these applicants obtained a  
22 residential home loan from a California-licensed mortgage lender. In or about July 2020, Odeh  
23 received a payment of \$1,400 from the TPC.

24 J. In or about June 2020, FGF ceased relying upon and consulting with the TPC and  
25 ceased operating. FGF did not however file for dissolution at that time.

#### 26 **Omission In Odeh's MLO Application**

27 K. On July 16, 2020, Odeh applied to the Commissioner for a mortgage loan originator  
28 (MLO) license under the CRMLA.

1 L. To become licensed by the Commissioner as an MLO, an individual must submit a  
2 uniform application form (known as the MU2 or MU4 form) through the Nationwide Mortgage  
3 Licensing System and Registry (NMLS).

4 M. Under the heading “Other Business,” Form MU4 Section 5 asks:  
5 Are you currently engaged in any other business either as a proprietor, partner, officer,  
6 director, employee, trustee, agent or otherwise? (Please exclude non-financial services-related  
7 activity that is exclusively charitable, civic, religious, or fraternal and is recognized as tax  
8 exempt.) If YES, provide the following details: the name of the other business; whether the  
9 business is financial services-related; the address of the other business; the nature of the other  
10 business; your position, title, or relationship with the other business; the start date of your  
11 relationship; the approximate number of hours per month you devote to the other business;  
12 and briefly describe your duties relating to the other business. (Attach additional sheets as  
13 needed.)

14 N. Although at the time of Odeh’s application he was still the chief executive officer,  
15 chief financial officer, secretary, and sole director of FGF, Odeh did not disclose his relationship with  
16 FGF as part of his Form MU4 at the time he applied for an MLO license-

17 O. On August 26, 2020, the Commissioner issued Odeh an MLO license.

18 P. In or about December 2020, after the Commissioner contacted FGF and Odeh in  
19 October 2020 to seek information, Odeh updated his Form MU4 and added information about FGF in  
20 the section entitled “Other Business.”

21 Q. Financial Code section 22100, subdivision (a) provides that no “person shall engage in  
22 the business of a finance lender or broker without obtaining a license from the commissioner.”

23 R. Financial Code section 50002, subdivision (d) provides in relevant part that an  
24 individual “shall not engage in the business of a mortgage loan originator with respect to any  
25 dwelling located in this state without first obtaining and maintaining annually a license[.]”

26 S. Financial Code section 50502 states that it is a violation of the CRMLA “for any  
27 person to make any untrue statement of a material fact in any document filed with the commissioner

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1 under this division or rules adopted thereunder, or to omit any material fact which is required to be  
2 stated in any document.”

3 T. Based on the above, the Commissioner determined that:

4 i. FGF violated the CFL by holding itself out as a lender in violation of  
5 Financial Code section 22100, subdivision (a) and advertising the availability of  
6 CFL-regulated loan products without a license in violation of Financial Code  
7 section 22161, subdivision (a)(3);

8 ii. Odeh violated the CRMLA by:

9 (a) engaging in the business of a mortgage loan originator from approximately  
10 January 2020 to April 2020, before receiving a MLO license from the  
11 Commissioner, in violation of Financial Code section 50002, subdivision (d);  
12 and

13 (b) failing to note his affiliation with FGF in his Form MU4, submitted to the  
14 Commissioner on July 16, 2020, in violation of Financial Code section 50502.

15 U. Odeh and FGF neither admit nor deny the factual matters and alleged violations set  
16 forth in paragraphs E-J, N, P and T in Section I of this Consent Order.

17 V. By this Consent Order the Commissioner, on the one hand, and FGF and Odeh, on the  
18 other hand, intend to resolve this matter amicably without the necessity of a hearing or other  
19 litigation.

20 W. The Commissioner finds that entering into this Consent Order is in the public interest  
21 and consistent with the purposes fairly intended by the policy and provisions of the CFL and the  
22 CRMLA.

23 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions  
24 contained herein, the Commissioner, FGF, and Odeh (the Parties) agree as follows:

25 **II.**

26 **TERMS AND CONDITIONS**

27 1. **Purpose.** This Consent Order resolves the issues before the Commissioner in a  
28 manner that avoids the expense of a hearing and other possible court proceedings, protects

1 consumers, is in the public interest, and is consistent with the purposes, policies, and provisions of  
2 the CFL and the CRMLA.

3       2.     Desist and Refrain Order. Pursuant to Financial Code section 22712, FGF is hereby  
4 ordered to desist and refrain from: (1) engaging in the business of a finance lender or broker without  
5 a license in violation of Financial Code section 22100, subdivision (a); and (2) advertising the  
6 availability of CFL-regulated loan products in violation of Financial Code section 22161,  
7 subdivision (a)(3).

8       3.     Dissolution of FGF. Odeh has not actively used FGF as a corporation since  
9 approximately June 2020. Within 120 days of the Effective Date of this Consent Order, as defined  
10 in Paragraph 26 (Effective Date), Odeh agrees to dissolve or otherwise file papers with the State  
11 of California formally to dissolve FGF.

12       4.     FGF Website. The former FGF website, [www.fundinggrowthfinancial.com](http://www.fundinggrowthfinancial.com), has  
13 already been taken down and is no longer active. Within 120 days of the Effective Date, Odeh  
14 agrees to endeavor to take down all remaining FGF websites, understanding that Odeh does not  
15 maintain or administer the websites and may be unable to remove it from public view. Odeh  
16 agrees to take any and all steps to disable public access to any FGF websites, to the extent still  
17 available, as directed by the Commissioner.

18       5.     Waiver of Hearing Rights. Odeh and FGF acknowledge that the Commissioner is  
19 ready, willing, and able to proceed with the filing of an enforcement action upon the charges  
20 contained in this Consent Order. Odeh and FGF hereby waive the right to any hearings, and to any  
21 reconsideration, appeal, or other right to review which may be afforded pursuant to the CFL, the  
22 CRMLA, the California Administrative Procedure Act (APA), the California Code of Civil Procedure  
23 (CCP), or any other provision of law.

24       6.     Revocation of License. Odeh agrees that for the 24-month period from the Effective  
25 Date, should the Commissioner make a finding that Odeh or FGF has violated or is violating any  
26 provision of the CFL, the CRMLA, or any rule, regulation, or law under the jurisdiction of the  
27 Commissioner, the state of California, the United States of America, and every state and foreign  
28 government (and political subdivision thereof), the Commissioner may, in his discretion,

1 automatically revoke any license held by or deny any pending application(s) of FGF or Odeh. Odeh  
2 and FGF hereby waive any notice and hearing rights to contest such revocation or denial(s) which  
3 may be afforded them under the CFL, CRMLA, APA, CCP, or any other provision of law in  
4 connection with this matter. Odeh and FGF further expressly waive any requirement for the filing of  
5 an accusation under Government Code section 11415.60, subdivision (b), in connection with the  
6 Commissioner’s revocation of its or his license under this paragraph. For the avoidance of doubt, the  
7 Commissioner’s revocation right under Paragraph 6 applies only unlawful conduct committed  
8 personally by Odeh, and not to any unlawful conduct committed by his employer or other agents of  
9 his employer.

10 7. Reporting Requirement. During the 24-month period from the Effective Date, Odeh  
11 shall report to the Commissioner within 30 days any disciplinary investigations or actions against him  
12 by any licensing agencies, any criminal investigations, prosecutions, or convictions against Odeh, or  
13 any civil judgments against Odeh. Traffic citations shall be excluded.

14 8. Continuing Education. During the 12-month period from the Effective Date, Odeh  
15 agrees to take at least 16 hours of extra continuing education (above the normal amount required)  
16 offered by a NMLS approved vendor and agrees to submit proof of compliance to the Commissioner.  
17 Odeh’s proof of compliance is due to the Commissioner’s agent by September 30, 2023.

18 9. Remedy for Breach. Odeh acknowledges and agrees that his failure to:  
19 (a) dissolve FGF under Paragraph 3, above; (b) take steps to take down FGF’s websites under  
20 Paragraph 4, above; (c) satisfy the reporting requirement under Paragraph 7, above; or (4) to satisfy  
21 the continuing education requirement under Paragraph 8 above, shall be deemed a breach and cause  
22 for the Commissioner to immediately revoke any license held by or deny any pending application(s)  
23 of Odeh. Odeh hereby waives any notice and hearing rights to contest such revocation or denial(s)  
24 which may be afforded him under the CFL, CRMLA, APA, CCP, or any other provision of law in  
25 connection with this matter. Odeh further expressly waives any requirement for the filing of an  
26 accusation under Government Code section 11415.60, subdivision (b), in connection with the  
27 Commissioner’s revocation of his license under this paragraph.  
28

1           10.    Full and Final Settlement. The parties hereby acknowledge and agree that this  
2 Consent Order is intended to constitute a full, final, and complete resolution of the violations  
3 described herein, and that no further proceedings or actions will be brought by the Commissioner in  
4 connection with these matters under the CFL, CRMLA, or any other provision of law, excepting  
5 therefrom any proceeding to enforce compliance with the terms of this Consent Order.

6           11.    Information Willfully Withheld or Misrepresented. This Consent Order may be  
7 rescinded, and the Commissioner may pursue any and all remedies available under the law against  
8 Odeh and FGF if the Commissioner discovers that Odeh and FGF knowingly or willfully withheld  
9 or misrepresented information used for and relied upon in this Consent Order.

10          12.    Future Actions by Commissioner. If Odeh or FGF fails to comply with any terms of  
11 the Consent Order, the Commissioner may institute proceedings for any and all violations otherwise  
12 resolved under this Consent Order. The Commissioner reserves the right to bring any future actions  
13 against Odeh and FGF, or any of its partners, owners, officers, shareholders, directors, employees or  
14 successors for any and all unknown violations of the CFL or the CRMLA.

15          13.    Assisting Other Agencies. Nothing in this Consent Order limits the Commissioner's  
16 ability to assist a government agency (whether city, county, state, or federal) with any administrative,  
17 civil or criminal prosecutions brought by that agency against Odeh, FGF or any other person based  
18 upon any of the activities alleged in this matter or otherwise.

19          14.    Headings. The headings to the paragraphs of this Consent Order are inserted for  
20 convenience only and will not be deemed a part hereof or affect the construction or interpretation of  
21 the provisions hereof.

22          15.    Binding. This Consent Order is binding on all heirs, assigns, and/or successors in  
23 interest.

24          16.    Reliance. Each of the Parties represents, warrants, and agrees that in executing this  
25 Consent Order it has relied solely on the statements set forth herein and the advice of its own counsel.  
26 Each of the Parties further represents, warrants, and agrees that in executing this Consent Order it has  
27 placed no reliance on any statement, representation, or promise of any other party, or any other  
28 person or entity not expressly set forth herein, or upon the failure of any party or any other person or



1 entity to make any statement, representation or disclosure of anything whatsoever. The Parties have  
2 included this clause: (1) to preclude any claim that any party was in any way fraudulently induced to  
3 execute this Consent Order; and (2) to preclude the introduction of parol evidence to vary, interpret,  
4 supplement, or contradict the terms of this Consent Order.

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

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

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

21 20. Counterparts. This Consent Order may be executed in one or more separate  
22 counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall  
23 together constitute a single document.

24 21. Effect Upon Future Proceedings. If Odeh or FGF applies for any license, permit or  
25 qualification under the Commissioner's current or future jurisdiction, or is the subject of any future  
26 action by the Commissioner to enforce this Consent Order, then the subject matter hereof shall be  
27 admitted for the purpose of such application(s) or proceeding(s).

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1           22.    Voluntary Agreement. FGF and Odeh enter into this Consent Order 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 Consent Order. The Parties each represent  
4 and acknowledge that he, she or it is executing this Consent Order completely voluntarily and  
5 without any duress or undue influence of any kind from any source.

6           23.    Notice. Any notice required under this Consent Order shall be provided to each party  
7 at the following addresses.

8                   i.    To Odeh and FGF:

9                           Pamela L. Johnston  
10                           Foley & Lardner LLP  
11                           555 South Flower Street, Suite 3300  
12                           Los Angeles, California 90071  
13                           PJohnston@foley.com and

14                           Yusef Odeh  
15                           301 South China Lake Blvd., Suite A  
16                           Ridgecrest, California 93555

17                   ii.   To the Commissioner:

18                           Taylor Steinbacher, Senior Counsel  
19                           Department of Financial Protection and Innovation  
20                           320 West 4th Street, Suite 750  
21                           Los Angeles, California 90013-2344  
22                           Taylor.Steinbacher@dfpi.ca.gov

23           24.    Signatures. A faxed, scanned, or electronic signature shall be deemed the same as an  
24 original signature.

25           25.    Public Record. FGF and Odeh hereby acknowledge that this Consent Order is and  
26 will be a matter of public record.

27           26.    Effective Date. This Consent Order shall become final and effective when signed by  
28 all Parties and delivered by the Commissioner's agent via e-mail to Odeh and FGF's counsel,  
Pamela L. Johnston at PJohnston@foley.com.

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