

1 MARY ANN SMITH  
Deputy Commissioner  
2 SEAN M. ROONEY  
Assistant Chief Counsel  
3 JUDY L. HARTLEY (CA BAR NO. 110628)  
Senior Corporations Counsel  
4 Department of Business Oversight  
320 West 4<sup>th</sup> Street, Ste. 750  
5 Los Angeles, California 90013-2344  
Telephone: (213) 576-7604 Fax: (213) 576-7181

6 Attorneys for Complainant

7  
8 **BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT**  
9 **OF THE STATE OF CALIFORNIA**

10 In the Matter of the Accusation and the Order ) File No.: 413-0749 and 603-I908  
11 To Discontinue Violations of THE )  
12 COMMISSIONER OF BUSINESS )  
13 OVERSIGHT, ) SETTLEMENT AGREEMENT  
14 Complainant, )  
15 vs. )  
16 REAL ESTATE MORTGAGE NETWORK, )  
17 doing business as FINANCEMYHOME.COM, )  
18 HOMEBRIDGE, and MENLO PARK )  
19 FUNDING, )  
Respondent. )

20  
21 This Agreement is entered into between Respondent Real Estate Mortgage Network, Inc.  
22 doing business as Financemyhome.com, Homebridge, and Menlo Park Funding (“REM N”) and  
23 Complainant the Commissioner of Business Oversight (“Commissioner”), and is made with respect  
24 to the following facts:

25 **RECITALS**

26 A. REMN is a corporation in good standing, duly formed and existing pursuant to the  
27 laws of the State of New Jersey, and authorized to conduct business in the State of California.  
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1 B. REMN is a residential mortgage lender and loan servicer licensed by the  
2 Commissioner pursuant to the California Residential Mortgage Lending Act ("CRMLA") (California  
3 Financial Code Section 50000 et seq.). REMN has its principal place of business located at 499  
4 Thornall Street, 2<sup>nd</sup> Floor, Edison, New Jersey 08837. REMN currently has 15 branch office  
5 locations under its CRMLA license located in California, and other states. REMN employs  
6 mortgage loan originators in its CRMLA business.

7 C. REMN is also licensed by the Commissioner as a finance lender and broker pursuant  
8 to the California Finance Lenders Law ("CFLL") (California Financial Code Section 22000 et seq.).  
9 REMN has its principal place of business under the CFLL also located at 499 Thornall Street, 2<sup>nd</sup>  
10 Floor, Edison, New Jersey 08837. REMN has only the one license under the CFLL.

11 D. The Department of Business Oversight ("Department"), through the Commissioner,  
12 has jurisdiction over the licensing and regulation of persons and entities engaged in the business of  
13 lending and/or servicing pursuant to the CRMLA and lending and/or brokering pursuant to the  
14 CFLL, including mortgage loan originators.

15 E. On July 15, 2013, REMN was personally served by the Commissioner with a Notice  
16 of Intention to Issue Order Suspending Residential Mortgage Lender Licenses and Finance Lender  
17 and Broker License and to Levy Penalties, Accusation and accompanying documents dated July 9,  
18 2013 ("Accusation"). REMN has filed a Notice of Defense with the Commissioner regarding the  
19 Accusation.

20 F. On July 15, 2013, REMN was also personally served by the Commissioner with an  
21 Order to Discontinue Violations Pursuant to California Financial Code Section 50321 dated July 9,  
22 2013 ("Order"). REMN has filed a request for a hearing with the Commissioner regarding the  
23 Order.

24 G. The Commissioner acknowledges that REMN has submitted information  
25 demonstrating that it has adopted policies and procedures addressing the issues described in the  
26 Accusation and Order.

27 H. It is the intention and desire of the parties to resolve this matter without the necessity  
28 of a hearing and/or other litigation.

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

3 **TERMS AND CONDITIONS**

4 1. This Agreement is entered into for the purpose of judicial economy and expediency,  
5 and to avoid the expense of a hearing, and possible further court proceedings.

6 2. REMN, by entering into this Agreement, does not admit or deny any of the  
7 allegations set forth in the Accusation and/or Order.

8 3. REMN acknowledges its right to an administrative hearing under the CRMLA and/or  
9 the CFLL in connection with the Accusation and/or Order and hereby waives that right to a hearing,  
10 and to any reconsideration, appeal, or other rights which may be afforded pursuant to the CRMLA,  
11 the CFLL, the California Administrative Procedure Act, the California Code of Civil Procedure, or  
12 any other provision of law in connection with these matters.

13 4. REMN hereby agrees that the Order described in paragraph F above is hereby  
14 deemed a final order.

15 5. REMN further agrees to pay to the Commissioner the sum of \$140,000.00 in  
16 administrative fees, payable contemporaneously with Respondent’s signing of this Agreement.

17 6. REMN also agrees to conduct quarterly audits designed to determine compliance with  
18 California Financial Code section 50204(o) and California Civil Code section 2948.5 by and through  
19 an independent certified public accountant, for a period of one year to commence  
20 October 1, 2013. Each quarterly audit shall cover all California loans originated during that quarter.  
21 REMN, by and through its independent certified public accountant, shall submit to the  
22 Commissioner the results of each quarterly audit (“audit report”) within sixty (60) days of the  
23 completion of each quarter. The audit report shall include, at a minimum, the total number of loans  
24 made during the quarter, the number of loans with per diem overcharges, and for each loan, the  
25 report will list the borrower loan number, name, address, loan amount, loan date, per diem charged,  
26 per diem that should have been charged, overcharge amount (if any), date of refund (if applicable),  
27 and proof of refund (if applicable).  
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1           7.       In consideration of the information provided to the Commissioner by REMN as  
2 described in paragraph G above and REMN’s agreement to the finality of the Order and payment of  
3 administrative fees as provided for in paragraphs 4 and 5 above, the Commissioner hereby agrees  
4 that she shall not suspend the residential mortgage lender license or finance lender and/or broker  
5 license of REMN. Accordingly, this Agreement, which resolves the Accusation and Order, does not  
6 affect the licensing status of Respondent set forth in paragraphs B and C above.

7           8.       This Agreement may be revoked and the Commissioner may pursue any and all  
8 remedies available under law against REMN, if the Commissioner later finds out that REMN  
9 knowingly or willfully withheld information used and relied upon in this Agreement.

10          9.       This Agreement is binding on all heirs, assigns and/or successors in interest.

11          10.       This Agreement does not create any private rights or remedies against REMN, create  
12 any liability for REMN or limit defenses of REMN for any person or entity not a party to this  
13 Settlement Agreement.

14          11.       The parties hereby acknowledge and agree that this Agreement is intended to  
15 constitute a full, final and complete resolution of the Accusation and Order and that no further  
16 proceedings or actions will be brought by the Commissioner in connection with these matters either  
17 under the CRMLA, CFLL, or any other provision of law, excepting therefrom any proceeding or  
18 action if such proceeding or action is based upon facts not presently known to the Commissioner and  
19 which were actively concealed from the Commissioner by REMN. The parties further acknowledge  
20 and agree that nothing contained in this Agreement shall operate to limit the Commissioner's ability  
21 to assist any other agency, (city, county, state or federal) with any prosecution, administrative, civil  
22 or criminal, brought by any such agency against REMN or any other person based upon any of the  
23 activities alleged in these matters or otherwise.

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

27          13.       Each of the parties represents, warrants, and agrees that in executing this Agreement  
28 it has relied solely on the statements set forth herein and the advice of its own counsel and/or

1 representative. Each of the parties further represents, warrants, and agrees that in executing this  
2 Agreement it has placed no reliance on any statement, representation, or promise of any other party,  
3 or any other person or entity not expressly set forth herein, or upon the failure of any party or any  
4 other person or entity to make any statement, representation or disclosure of anything whatsoever.  
5 The parties have included this clause: (1) to preclude any claim that any party was in any way  
6 fraudulently induced to execute this Agreement; and (2) to preclude the introduction of parol  
7 evidence to vary, interpret, supplement, or contradict the terms of this Agreement.

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

14         15. In that the parties have had the opportunity to draft, review and edit the language of  
15 this Agreement, no presumption for or against any party arising out of drafting all or any part of this  
16 Agreement will be applied in any action relating to, connected, to, or involving this Agreement.  
17 Accordingly, the parties waive the benefit of California Civil Code section 1654 and any successor  
18 or amended statute, providing that in cases of uncertainty, language of a contract should be  
19 interpreted most strongly against the party who caused the uncertainty to exist.

20         16. The waiver of any provision of this Agreement shall not operate to waive any other  
21 provision set forth herein, and any waiver, amendment and/or change to the terms of this Agreement  
22 must be in writing signed by the parties.

23         17. This Agreement shall not become effective until signed and delivered by all parties.

24         18. This Agreement may be executed in one or more counterparts, each of which shall be  
25 an original but all of which, together, shall be deemed to constitute a single document. This  
26 Agreement may be executed by facsimile signature, and any such facsimile signature by any party  
27 hereto shall be deemed to be an original signature and shall be binding on such party to the same  
28 extent as if such facsimile signature were an original signature.

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19. Any notice or report required under this Agreement shall be addressed as follows:

To Respondents: Clinton R. Rockwell, Esq.  
BuckleySandler LLP  
100 Wilshire Boulevard, Suite 1000  
Santa Monica, California 90401

To the Commissioner: Judy L. Hartley, Esq.  
Senior Corporations Counsel  
Department of Business Oversight  
320 W. 4<sup>th</sup> Street, Suite 750  
Los Angeles, California 90013-2344

20. Each signatory hereto covenants that he/she possesses all necessary capacity and authority to sign and enter into this Agreement.

Dated: 9/4/13 JAN LYNN OWEN  
Commissioner of Business Oversight

By \_\_\_\_\_  
MARY ANN SMITH  
Deputy Commissioner

Dated: 9/4/13 REAL ESTATE MORTGAGE NETWORK, INC.

By \_\_\_\_\_  
PETER NORDEN, President

APPROVED AS TO FORM:

BUCKLEYSANDLER LLP

By \_\_\_\_\_  
CLINTON R. ROCKWELL, ESQ. Attorney for  
REAL ESTATE MORTGAGE NETWORK, INC.  
JAN LYNN OWEN  
Commissioner of Business Oversight

By \_\_\_\_\_  
JUDY L. HARTLEY  
Senior Corporations Counsel