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2 DANIEL P. O'DONNELL
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4 Department of Business Oversight
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8 Attorneys for Complainant

10 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
11 OF THE STATE OF CALIFORNIA

12 In the Matter of:) CRMLA License No.: 413-1189
13 THE COMMISSIONER OF BUSINESS)
14 OVERSIGHT,) CONSENT ORDER
15 Complainant,)
16 v.)
17 OCEANSIDE FUNDING CORP.,)
18 Respondent.)
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21 This Consent Order is entered into between Complainant, the Commissioner of Business
22 Oversight (Commissioner) and Respondent Oceanside Funding Corp.¹ (Oceanside) (collectively, the
23 Parties), and is made with respect to the following facts:

24 **RECITALS**

25 A. Oceanside holds a residential mortgage lender license issued by the Commissioner pursuant to
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28 ¹ Legal name of the company is Oceanside Mortgage Company; Oceanside Funding Corp. is its forced name in California.

1 the California Residential Mortgage Lending Act (Fin. Code, § 50000et seq.) (CRMLA). Oceanside
2 has its principal place of business located at 55 Main Street, Toms River, New Jersey 08753.
3 Oceanside employs mortgage loan originators in its CRMLA business.

4 B. Oceanside reported in its 2014 annual report that they began servicing loans in 2014. The
5 Department of Business Oversight (Department) alerted Oceanside that it needed to apply for servicer
6 authority on May 14, 2015. On May 19, 2015, Oceanside applied for servicer authority but has yet to
7 obtain a servicer license. While unlicensed, Oceanside continued to service new loans.

8 C. During a regulatory examination that commenced on September 15, 2017, the Department
9 found that Oceanside failed to reconcile ledgers, accounts and bank balances at least once per month,
10 as required by the CRMLA.

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

14 E. It is the intention and desire of the Parties to resolve this Action without the necessity of a
15 hearing and/or other litigation.

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

18 **TERMS AND CONDITIONS**

19 1. Purpose. This Consent Order is entered into for the purpose of judicial economy and
20 expediency, and to avoid the expense of a hearing, and possible further court proceedings.

21 2. Desist and Refrain Order. Pursuant to Financial Code section 50320, the Commissioner
22 hereby issues to Oceanside an Order to Desist and Refrain from unlicensed servicing activity in
23 violation of Financial Code section 50002.

24 3. Order to Discontinue Violations. Pursuant to Financial Code section 50321, the
25 Commissioner hereby issues to Oceanside an Order to Discontinue Violations of California Code of
26 Regulations, title 10, section 1950.314.1 by failing to reconcile ledgers, accounts and bank balances
27 at least once per month.

28 4. Finality of Desist and Refrain Order and Order to Discontinue Violations. Oceanside agrees

1 to the finality of the Desist and Refrain Order in Paragraph 2 of this Consent Order and the Order to
2 Discontinue Violations in Paragraph 3 of this Consent Order (collectively, the Orders). Oceanside
3 voluntarily waives all rights to reconsideration, appeal, or other rights which may be afforded
4 pursuant to Financial Code sections 50320, 50321, or any other provision of law in connection with
5 these Orders, including but not limited to Government Code sections 11521 and 11523, and any writ
6 proceeding in accordance with the Code of Civil Procedure.

7 5. Penalties. Oceanside agrees to pay \$10,000 in penalties (Penalties). These Penalties shall be
8 paid to the Commissioner within 30 days of the Effective Date of this Consent Order as defined in
9 paragraph 22. The payment shall be made payable in the form of a cashier’s check or Automated
10 Clearing House deposit to the “Department of Business Oversight,” and transmitted to the attention
11 of:

12 Attn: Accounting – Litigation
13 The Department of Business Oversight
14 1515 K Street, Suite 200
15 Sacramento, California 95814

16 Notice of payment shall be sent to:

17 Joanne Ross, Senior Counsel
18 Department of Business Oversight
19 Enforcement Division
20 1515 K Street, Suite 200
21 Sacramento, California 95814

22 In the event the payment due date falls on a weekend or holiday, the payment shall be due the
23 next business day.

24 6. Policies and Procedures. Oceanside agrees to change its policies and procedures to the
25 Commissioner’s satisfaction prior to the Effective Date of this Consent Order.

26 7. Failure to Comply with Consent Order. Oceanside acknowledges that failure to comply with
27 the terms of this Consent Order shall be a breach of this Consent Order and shall be cause for the
28 Commissioner to order additional penalties and/or summarily suspend Oceanside’s license without
notice.

8. Approval of Application. The Commissioner hereby acknowledges that the mortgage loan

1 servicer application filed by Oceanside is ready to be approved, and the Commissioner hereby agrees
2 to approve the application as soon as possible after the Effective Date of this Consent Order, and after
3 the Penalties have been paid.

4 9. Consent Order Coverage. This Consent Order is intended to constitute a full, final and
5 complete resolution of the matters addressed herein, excepting therefrom any proceeding or action if
6 such proceeding or action is based upon facts not presently known to the Commissioner or which
7 were knowingly concealed from the Commissioner. The Parties further acknowledge and agree that
8 nothing contained in this Consent Order shall operate to limit the Commissioner's ability to assist any
9 other agency, (city, county, state or federal) with any prosecution, administrative, civil or criminal,
10 brought by any such agency against Oceanside based upon any of the activities alleged in these
11 matters or otherwise.

12 10. Independent Legal Advice. Each of the parties represents, warrants, and agrees that it has
13 received or been advised to seek independent legal advice from its attorneys with respect to the
14 advisability of executing this Consent Order.

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

24 12. Full Integration. This Consent Order is the final written expression and the complete and
25 exclusive statement of all the agreements, conditions, promises, representations, and covenants
26 between the Parties with respect to the subject matter hereof, and supersedes all discussions between
27 and among the Parties, their respective representatives, and any other person or entity, with respect to
28 the subject matter covered hereby.

1 13. No Presumption From Drafting. In that the Parties have had the opportunity to draft, review
2 and edit the language of this Consent Order, and no presumption for or against any party arising out
3 of drafting all or any part of this Consent Order will be applied in any action relating to, connected to,
4 or involving this Consent Order. Accordingly, the Parties waive the benefit of Civil Code section
5 1654 and any successor or amended statute, providing that in cases of uncertainty, language of a
6 contract should be interpreted most strongly against the party who caused the uncertainty to exist.

7 14. Voluntary Consent. Oceanside enters into this Consent Order voluntarily and without
8 coercion and acknowledges that no promises, threats or assurances have been made by the
9 Commissioner or any officer, or agent thereof, about this Consent Order. The Parties each represent
10 and acknowledge that he, she or it is executing this Consent Order completely voluntarily and without
11 any duress or undue influence of any kind from any source.

12 15. Authority for Consent. Each party warrants and represents that such party is fully entitled and
13 duly authorized to enter into, sign and deliver this Consent Order. In particular, and without limiting
14 the generality of the foregoing, each party warrants and represents that it is fully entitled to enter into
15 the covenants, and undertake the obligations set forth herein.

16 16. Modifications and Qualified Integration. No amendment, change or modification of this
17 Consent Order shall be valid or binding in any extent unless it is in writing and signed by all of the
18 parties affected by it.

19 17. Waiver. The waiver of any provision of this Consent Order shall not operate to waive that
20 provision in the future, or waive any other provision set forth herein, and any waiver, amendment
21 and/or change to the terms of this Consent Order must be in writing and signed by the parties affected
22 by it.

23 18. Successors in Interest. This Consent Order is binding on all heirs, assigns and/or successors
24 in interest.

25 19. Counterparts. This Consent Order may be executed in any number of counterparts by the
26 Parties, and when each party has signed and delivered at least one such counterpart to the other party,
27 each counterpart shall be deemed an original and taken together shall constitute one and the same
28 Consent Order.

1 20. Signatures. This Consent Order may be executed by facsimile or scanned signature, and any
2 such facsimile or scanned signature by any party hereto shall be deemed to be an original signature
3 and shall be binding on such party to the same extent as if such facsimile or scanned signature were
4 an original signature.

5 21. Governing Law. This Consent Order shall be construed and enforced in accordance with and
6 governed by California law.

7 22. Public Record. Oceanside hereby acknowledges that this Consent Order will be a matter of
8 public record. Oceanside further understands and agrees to not make any statement or representation
9 that is inconsistent with this Consent Order.

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1 23. Effective Date. This Consent Order shall not become effective until signed by all parties and
2 delivered to Oceanside by Department Senior Counsel Joanne Ross emailing the signed Consent
3 Order to Julia Coller, Oceanside Senior Accountant, at jcoller@oceansidemortgage.net.

4 24. Notice. Any notices required under this Consent Order shall be provided to each party at the
5 following addresses:

6 If to Respondent to: Oceanside Funding Corp.
7 Attn: Steven Stone, Vice President
8 55 Main Street
9 Toms River, New Jersey 08753

10 If to Complainant to: Joanne Ross, Senior Counsel
11 Department of Business Oversight
12 Enforcement Division
13 1515 K Street, Suite 200
14 Sacramento, California 95814

15 Dated: 3/15/19 JAN LYNN OWEN
16 Commissioner of Business Oversight

17 By: _____
18 MARY ANN SMITH
19 Deputy Commissioner
20 Enforcement Division

21 Dated: 3/14/19 OCEANSIDE FUNDING CORP.

22 By: _____
23 STEVEN STONE
24 Vice President