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4 Department of Business Oversight
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7 Attorneys for Complainant

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

10
11 In the Matter of:)
) CRMLA LICENSE NO.: 413-1356
12 THE COMMISSIONER OF BUSINESS)
13 OVERSIGHT,) CONSENT ORDER
)
14 Complainant,)
)
15 v.)
)
16 SYNERGY ONE LENDING, INC.,)
17)
18 Respondent.)
19)

20 This Consent Order (Consent Order) is entered into by and between the Commissioner of
21 Business Oversight (Commissioner) and Synergy One Lending, Inc. (Synergy) (collectively the
22 parties), and is made with respect to the following facts:

23 **I.**

24 **Recitals**

25 A. Synergy is a corporation in good standing, duly formed and existing pursuant to the
26 laws of the State of Delaware and authorized to conduct business in California.

27 B. Synergy is licensed as a residential mortgage lender by the Commissioner pursuant to
28

1 the California Residential Mortgage Lending Act (CRMLA) (Fin. Code § 50000 et seq.). Synergy
2 has its principal place of business located at 3131 Camino Del Rio North, Suite 190, San Diego,
3 California 92108. Synergy currently has 91 branch office locations under its CRMLA license
4 located in California and elsewhere. Synergy employs mortgage loan originators in its CRMLA
5 business.

6 C. Torrey Larsen is the president of Synergy and, as such, is authorized to enter into this
7 Consent Order on behalf of Synergy.

8 D. The Department of Business Oversight (Department), through the Commissioner, has
9 jurisdiction over the licensing and regulation of persons and entities engaged in the business of
10 lending and/or servicing pursuant to the CRMLA, including mortgage loan originators.

11 E. Pursuant to the CRMLA, the Commissioner has authority to issue orders to
12 discontinue violations, to deny, suspend, or revoke licenses pending or issued under the CRMLA,
13 and to assess penalties.

14 F. During a regulatory examination of Synergy commenced in September 2018, the
15 Commissioner discovered that Synergy was engaged in the business of servicing residential
16 mortgage loans as a master loan servicer without a license in California in violation Financial Code
17 section 50002. Synergy immediately applied to add servicing authority to its existing CRMLA
18 lender license.

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

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

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

25 **II.**

26 **Terms and Conditions**

27 1. Purpose. This Consent Order is entered into for the purpose of judicial economy and
28 to avoid the expense and uncertainty of a hearing or other litigation.

1 2. Finality of Consent Order. Synergy agrees to comply with this Consent Order and
2 stipulates this Consent Order is hereby deemed final.

3 3. Administrative Penalties. Synergy shall pay a penalty to the Commissioner in the
4 amount of \$7,500.00, which shall be due and payable within 5 days of the effective date of this
5 Consent Order, as such date is defined in Paragraph 20, made payable in the form of a cashier’s
6 check payable to the Department of Business Oversight and shall be sent to the Department,
7 attention, Accounting – Litigation, 1515 K Street, Suite 200, Sacramento, California 95814.

8 4. Waiver of Hearing Rights. Synergy acknowledges that the Commissioner is ready,
9 willing, and able to proceed with the filing of an administrative enforcement action on the charges
10 contained in this Consent Order. Synergy hereby waives the right to any hearing, and to any
11 reconsideration, appeal, or other right to review which may be afforded pursuant to the CRMLA, the
12 California Administrative Procedure Act, the California Code of Civil Procedure, or any other
13 provision of law. Synergy further expressly waives any requirement for the filing of an Accusation
14 pursuant to Government Code section 11415.60, subdivision (b). By waiving such rights, Synergy
15 effectively consents to this Consent Order becoming final.

16 5. Servicing Authority. The Commissioner hereby acknowledges that the mortgage loan
17 servicer application filed by Synergy on or about September 21, 2018 is ready to be approved, and
18 the Commissioner hereby agrees to approve Synergy’s residential mortgage loan servicer application
19 within five days of execution of this Consent Order.

20 6. Effect of Consent Order on License. In consideration of Synergy’s payment of
21 penalties in Paragraph 3, the Commissioner hereby agrees, except as otherwise set forth in this
22 Consent Order, to not suspend or revoke the residential mortgage lender and/or servicer license of
23 Synergy, or take any further action, based on the violations cited herein. Accordingly, this Consent
24 Order, which resolves said violations, does not affect the licensing status of Synergy.

25 7. Binding. This Consent Order is binding on all heirs, assigns, and/or successors in
26 interest.

27 8. Third Party Actions. This Consent Order does not create any private rights or
28 remedies against Synergy, create any liability for Synergy, create any contractual third-party

1 beneficiaries, or limit defenses of Synergy for any person or entity not a party to this Consent Order.

2 9. Full and Final Settlement. The parties hereby acknowledge and agree that this
3 Consent Order is intended to constitute a full, final, and complete resolution of the findings of the
4 2018 regulatory examination described in paragraph F. above up to and including through the date of
5 approval of Synergy’s September 21, 2018 servicer application, and that no further proceedings or
6 actions will be brought by the Commissioner in connection with these matters either under the
7 CRMLA, or any other provision of law, excepting therefrom any proceeding to enforce compliance
8 with the terms of this Consent Order.

9 10. Commissioner’s Duties: The parties acknowledge and agree that nothing contained
10 in this Consent Order shall operate to limit the Commissioner’s ability to assist any other agency
11 (city, county, state or federal) with any prosecution, administrative, civil or criminal, brought by any
12 such agency against Synergy or any other person based upon any of the activities alleged in these
13 matters or otherwise.

14 11. Independent Legal Advice. Each of the parties represents, warrants, and agrees that it
15 has received independent advice from its attorney(s) and/or representatives with respect to the
16 advisability of executing this Consent Order.

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

26 13. Full Integration. This Consent Order is the final written expression and the complete
27 and exclusive statement of all the agreements, conditions, promises, representations, and covenants
28 between the parties with respect to the subject matter hereof, and supersedes all prior or

1 contemporaneous agreements, negotiations, representations, understandings, and discussions
2 between and among the parties, their respective representatives, and any other person or entity, with
3 respect to the subject matter covered hereby.

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

11 15. Waiver, Modification, and Qualified Integration. The waiver of any provision of this
12 Consent Order shall not operate to waive any other provision set forth herein. No waiver,
13 amendment, or modification of this Consent Order shall be valid or binding to any extent unless it is
14 in writing and signed by all of the parties affected by it.

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

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

22 18. Signatures. A signature delivered by facsimile or electronic mail will be deemed an
23 original signature.

24 19. Voluntary Agreement. Synergy enters into this Consent Order voluntarily and
25 without any coercion and acknowledges that no promise, threats, or assurances about this Consent
26 Order have been made by the Commissioner or any of her officers or agents.

27 20. Effective Date. This Consent Order shall not become effective until signed by all
28 parties and a fully executed copy is delivered by counsel for the Commissioner via email to counsel

1 for Synergy.

2 21. Notice. Any notice required under this Consent Order shall be addressed as follows:

3 To Synergy One Lending, Inc.: Bill Trask, Esq.
4 EVP-Legal-Compliance
5 Synergy One Lending, Inc.
6 3131 Camino Del Rey N, Ste. 190
7 San Diego, 92108
8 btrask@s1lending.com

9 To the Commissioner: Judy L. Hartley, Esq.
10 Senior Counsel
11 Department of Business Oversight
12 320 W. 4th Street, Suite 750
13 Los Angeles, California 90013-2344
14 judy.hartley@dbo.ca.gov

15 22. Public Record. Synergy acknowledges that this Consent Order is a public record.

16 23. Settlement Authority. Each signatory hereto covenants that he/she possesses all
17 necessary capacity and authority to sign and enter into this Consent Order.

18 Dated: April 2, 2019

JAN LYNN OWEN
Commissioner of Business Oversight

19 By _____
20 MARY ANN SMITH
21 Deputy Commissioner

22 Dated: April 1, 2019

SYNERGY ONE LENDING, INC.

23 By _____
24 TORREY LARSEN, President

25 APPROVED AS TO FORM:

26 By _____
27 BILL TRASK, ESQ. attorney for
28 SYNERGY ONE LENDING, INC.