

1 STATE OF CALIFORNIA
2 BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
3 DEPARTMENT OF BUSINESS OVERSIGHT

4 TO: 1st Line Funding, L.L.C., also known as, SML Direct, L.L.C.
5 www.1stlinefunding.com
6 Shawn Barami
7 George Hawatmeh

8 23281 Ventura Blvd.
9 Woodland Hills, CA 91364

10 1 Center Point Drive, Suite 350
11 La Palma, CA 90623

12 **DESIST AND REFRAIN ORDER**
13 **(For violations of sections 22100 and 50002 of the Financial Code)**

14 The Commissioner of Business Oversight finds that:

15 1. At all relevant times, 1st Line Funding, L.L.C., also known as SML Direct, L.L.C.,
16 (“Line”) is a California limited liability company with a principal place of business at 1 Center Point
17 Drive, Suite 350, La Palma, California, 90623. Line conducts business by way of their website at
18 www.1stlinefunding.com, and telephone number (888) 811-9479.

19 2. At all relevant times, George Hawatmeh (“Hawatmeh”) represents that he is a
20 “shareholder” of Line. Hawatmeh’s principal place of business is located at 23281 Ventura Blvd.,
21 Woodland Hills, California, 91364. Hawatmeh conducts business by telephone number (818) 585-
22 5203 and by website at www.1stlinefunding.com. Hawatmeh is a California real estate sales person
23 holding license number 01444240 from the Bureau of Real Estate. Hawatmeh also engages in the
24 business of generating mortgage loan “leads” for profit.

25 3. At all relevant times, Hawatmeh originates, creates, controls, activates, operates, and
26 maintains the website www.1stlinefunding.com platform. Hawatmeh also originates, creates,
27 activates, controls, operates, and maintains all content in the website www.1stlinefunding.com.
28 Hawatmeh engages in “driving traffic” to the website on the internet, as well.

1 4. At all relevant times, Shawn Barami (“Barami”) is a representative of Line. Barami
2 asserts to California consumers that he is the “Bank Manager” of Line. Barami’s principal place of
3 business is located at 23281 Ventura Blvd., Woodland Hills, California, 91364. Barami conducts
4 business by telephone number (747) 224-254 and by email at shawn.barami@1stlinefunding.com.

5 5. Beginning in January 2016, Line and Barami engaged in the business of a finance
6 lender or broker when they agreed to make a loan to a California consumer from Line or agreed to
7 serve as a placement agent in connection with the acquisition of a loan from an “investor” lending
8 party to a consumer. Specifically, Line and Barami agree to provide a consumer a loan charging costs
9 and fees. To obtain the loan, the consumer must submit to Line and Barami financial statements, a
10 copy of the consumer’s most recent tax return, a copy of the consumer’s driver’s license, and a loan
11 application. Line and Barami assert that fees and costs for such a loan are “equal to that of a [sic]
12 equity line” and assert that “what the investor does is he matches your average income based on the
13 statements and what the tax return show.” Line and Barami provide an answer to a consumer as to
14 the determination of the loan application in twenty four (24) to forty eight (48) hours after all
15 documents are received.

16 6. Line also disseminates the following loan information on its website at
17 www.1stlinefunding.com: “Business Loans: 24 Hour Funding; Unsecured Loans; up to 1 million; No
18 DOC Up to \$75,000; Look At Bank Deposits Only; 3 Months In Business Only; No Tax Returns Up
19 to 75k.” Line provides an “APPLY NOW” button for the consumer to click on the same page,
20 immediately after the information to instantly apply for the loan with Line.

21 7. Neither Line nor Barami are exempt from the license requirements set forth in
22 Financial Code section 22100. Neither Line nor Barami hold a license issued by the Commissioner to
23 engage in the business of a finance lender or broker as required by Financial Code section 22100.

24 8. Beginning in January 2016, Line and Barami engaged in the business of making or
25 servicing residential mortgage loans when they processed loans or agreed to provide financing
26 through their private investment sources and/or from Line for the acquisition of real property.
27 Specifically, Line and Barami, for an owner occupied purchase, do not require a stated income to
28 originate the residential mortgage loan. The terms of the residential loan are as follows: 4.75% rate

1 of interest for a seven (7) and one (1) Adjustable Rate Mortgage. A consumer is required to pay to
2 Line four (4) points on the loan in fees upfront to Line before commencing the loan transaction.

3 9. Beginning in January 2016, Hawatmeh and Line engaged in the business of making or
4 servicing residential mortgage loans in California by disseminating to the public, by means of
5 written, printed, or electronic communication, information relating to the making of residential
6 mortgage loans, the servicing of residential mortgage loans, or both. Specifically, Hawatmeh and
7 Line disseminate to the public by Line's website at www.1stlinefunding.com, the following
8 information relating to the making of residential loans:

9 a. "Stated Income: Self-Employed, Wage Earner, Owner OCC-OK Non Owner – OK;
10 Appraisal Required; Max Loan Amount \$2,500,000; UPTO 70% LTV- Rate & Term; UPTO 50%
11 LTV-Cashout; Rates 4.75% to 5.5%; 7 year fixed fully amortized (P&I); No prepay." Hawatmeh and
12 Line provide an "APPLY NOW" button for the consumer to click on the same page, immediately
13 after the information to instantly apply for the loan with Line.

14 b. "Private/Hard Money: Residential & Commercial (All types welcome); Owner OCC –
15 OK; Non Owner – OK; No DOC. NO FICO. NO APPRAISAL.; 10-Day Loan Docs; Max Loan
16 Amount = \$5,000,000; UPTO 80% LTV-Cashout; Rates 8.49% to 9.99%; Prepay – 6 months to 3
17 years." Hawatmeh and Line provide an "APPLY NOW" button for the consumer to click on the
18 same page, immediately after the information to instantly apply for the loan with Line.

19 c. "1-Day Loan Docs: Residential & Commercial (All types welcome) Non Owner –
20 Only; 1-day loan Doc; No DOC NO FICO NO APPRAISAL; Max Loan Amount=\$75,000,000;
21 UPTO 70% LTV-Cashout; Rates 8.99% to 12.99%; No Prepay." Hawatmeh and Line provide an
22 "APPLY NOW" button for the consumer to click on the same page, immediately after the
23 information to instantly apply for the loan with Line.

24 d. "2nd & 3rd Mortgages: Residential & Commercial (all types welcome); 1-Day Loan
25 Docs; No Docs No FICO No Appraisal; Max Loan Amount = \$25,000,000; UPTO 70% CLTV -
26 Cashout; Rates 9.99% to 12.99%; No prepay." Hawatmeh and Line provide an "APPLY NOW"
27 button for the consumer to click on the same page, immediately after the information to instantly
28 apply for the loan with Line.

1 e. “FHA Loans: Single Family Residence (2-4 units, PUD) Owner OCC – OK; Rate &
2 Term – Streamline - No Appraisal No Income Docs 97% CLTV Max No CASH; Cashout –
3 Appraisal Required, Full Doc, 85% CLTV Max Cash Out.” Hawatmeh and Line provide an “APPLY
4 NOW” button for the consumer to click on the same page, immediately after the information to
5 instantly apply for the loan with Line.

6 f. “VA Loans: Single Family Residence (2-4 units, PUD) Owner OCC; Rate & Term –
7 Streamline - No Appraisal No Income Docs 100% CLTV Max No CASH; Cashout – Appraisal
8 Required, Full Doc, 100% CLTV Max Cash Out.” Hawatmeh and Line provide an “APPLY NOW”
9 button for the consumer to click on the same page, immediately after the information to instantly
10 apply for the loan with Line.

11 g. “Reverse Mortgage (HECM): Single Family Residence (2-4 units, PUD), Owner
12 Occupied, 62 Years of Age Minimum; No FICO Score; No Income Docs; Appraisal Required;
13 HECM Counseling Required; Max Cash Out \$\$\$; No Payments for Life and Spouses Life; Property
14 Foes to Spouse and Then to Your Heirs.” Hawatmeh and Line provide an “APPLY NOW” button for
15 the consumer to click on the same page, immediately after the information to instantly apply for the
16 loan with Line.

17 h. “1st Line Funding Warner Center Towers Woodland Hills, CA 91367 (888) 811-9479.
18 Get Approved Today! Fill out this form and we will contact you right away! Fill Out Form: First
19 Name; Last Name; Phone; Email; Address; City; State; Zip; Best Time to Contact You (Select
20 Time): morning, afternoon; Type of Loan (Select Loan): Purchase, Re-finance, Other/Both Products
21 Interested (Check Products): Stated Income; NO Doc/No FICO/No Appraisal; 1 Day Loan Docs; 2nd
22 and 3rd Mortgages’ FHA Loans; VA Loans; Reverse Mortgage (HECM); Personal & Business Loans;
23 Briefly describe how we can help you reach your goals:.” Hawatmeh and Line provide a “Submit”
24 button for the consumer to click on the same page, immediately after the information to instantly
25 apply for the loan with Line.

26 10. Neither Hawatmeh, Line, nor Barami are exempt from the license requirement set
27 forth in Financial Code section 50002. Neither Hawatmeh, Line, nor Barami hold a license issued by
28

1 the Commissioner to engage in the business of making or servicing residential mortgage loans as
2 required by Financial Code section 50002.

3 Based on the foregoing findings, the Commissioner of Business Oversight is of the opinion
4 that 1st Line Funding, L.L.C., also known as SML Direct, L.L.C., and Shawn Barami have engaged in
5 the business of a finance lender and/or broker in violation of Financial Code section 22100. Pursuant
6 to Financial Code section 22712, 1st Line Funding, L.L.C., also known as SML Direct, L.L.C., and
7 Shawn Barami are hereby ordered to desist and refrain from engaging in the business of a finance
8 lender or broker in the State of California without first obtaining a license from the Commissioner, or
9 otherwise being exempt.

10 Based on the foregoing findings, the Commissioner of Business Oversight is of the further
11 opinion that George Hawatmeh, 1st Line Funding, L.L.C., also known as SML Direct, L.L.C., and
12 Shawn Barami have engaged in the business of making or servicing residential mortgage loans in
13 violation of Financial Code section 50002. Pursuant to Financial Code section 50320, George
14 Hawatmeh, 1st Line Funding, L.L.C., also known as SML Direct, L.L.C., and Shawn Barami are
15 hereby ordered to desist and refrain from engaging in the business of making and servicing residential
16 mortgage loans in the State of California without first obtaining a license from the Commissioner, or
17 otherwise being exempt.

18 This Order is necessary, in the public interest, for the protection of consumers and is
19 consistent with the purposes, policies and provisions of the California Finance Lenders Law and
20 California Residential Mortgage Lending Act.

21 Dated: May 27, 2016

22 JAN LYNN OWEN
23 Commissioner of Business Oversight

24
25
26 By _____
27 MARY ANN SMITH
28 Deputy Commissioner
Enforcement Division