PRESTON DuFAUCHARD
California Corporations Commissioner
ALAN S. WEINGER
Deputy Commissioner
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Attorneys for Complainant

BEFORE THE DEPARTMENT OF CORPORATIONS

OF THE STATE OF CALIFORNIA

In the Matter of the Accusation/Statement of Issues of THE CALIFORNIA CORPORATIONS COMMISSIONER, Complainant, vs. MEREDIAN FINANCIAL CORPORATION, PAUL A. FERRIS, and JAMES T. ASSALI, Respondents.	OAH Case No. L-2011040083 File No.: 413-0963 SETTLEMENT AGREEMENT

This Settlement Agreement is entered into between Paul A. Ferris ("Ferris") and the California Corporations Commissioner ("Commissioner"), and is made with respect to the following facts:

RECITALS

A. Ferris is, and was at all times relevant herein, the president and sole shareholder of Meredian Financial Corporation, a residential mortgage lender licensed by the Commissioner pursuant to the California Residential Mortgage Lending Act (California Financial Code §50000 et seq.) ("CRMLA").

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B. On March 20, 2011, the Commissioner had Ferris served with a Notice of Intention to (1) Issue Order Revoking Residential Mortgage Lender License; (2) Issue Orders Pursuant to California Financial Code Section 50318 (Bar From Employment, Management, or Control of Any Residential Mortgage Lender and/or Loan Servicer); and (3) Issue order Denying Mortgage Loan Originator License Application, Accusation/Statement of Issues and accompanying documents dated March 14, 2011. Ferris has filed a Notice of Defense with the Commissioner in the above-referenced matter.

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

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

TERMS AND CONDITIONS

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

2. Ferris, without admitting or denying any of the allegations contained in the Accusation/Statement of Issues described in paragraph B above, hereby agrees to the issuance by the Commissioner of (i) an order barring Ferris from any position of employment, management or control of any residential mortgage lender and/or residential mortgage loan servicer, and (ii) an order denying the mortgage loan originator license application of Ferris. The bar and denial orders shall become effective upon execution of this Settlement Agreement. A copy of the bar order is attached and incorporated as Exhibit A. A copy of the denial order is attached and incorporated as Exhibit B.

3. Ferris acknowledges his right to an administrative hearing under Financial Code sections 50141 and 50318 in connection with the denial and bar and hereby waives his right to a hearing, and to any reconsideration, appeal, or other rights which may be afforded pursuant to the CRMLA, the California Administrative Procedure Act, the California Code of Civil Procedure, or any other provision of law in connection with this matter herein.

4. Ferris further agrees that, in the event Respondent James T. Assali does not enter into a resolution of this matter with the Commissioner, the Commissioner may serve Ferris with a

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subpoena to appear and testify at the administrative hearing of James T. Assali through his attorneys, the law firm of Prenovost, Normandin, Bergh & Hawe, by personal or facsimile service.

5. The parties hereby acknowledge and agree that this Settlement Agreement is intended to constitute a full, final and complete resolution of this matter. The parties further acknowledge and agree that nothing contained in this Settlement Agreement shall operate to limit the Commissioner's ability to assist any other agency, (county, state or federal) with any prosecution, administrative, civil or criminal, brought by any such agency against Assali based upon any of the activities alleged in this matter or otherwise.

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

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

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

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

10. This Settlement Agreement shall not become effective until signed by all parties and delivered by all parties.

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

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

Dated: 04/07/11

PRESTON DuFAUCHARD
California Corporations Commissioner

By_____
ALAN S. WEINGER
Deputy Commissioner

Dated: 04/07/11

By_____
PAUL A. FERRIS, an individual

APPROVED AS TO FORM:

PRENOVOST, NORMANDIN, BERGH &DAWE

By_____
MARC Y. LAZO, Attorneys for
PAUL A. FERRIS

PRESTON DuFAUCHARD
California Corporations Commissioner

By_____
JUDY L. HARTLEY
Senior Corporations Counsel

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