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BEFORE THE STATE OF CALIFORNIA

BUSINESS, TRANSPORTATION AND HOUSING AGENCY

DEPARTMENT OF CORPORATIONS

In the Matter of: THE CALIFORNIA CORPORATIONS COMMISSIONER, Complainant, v. ROBERT C. VELASQUEZ, an individual, Respondent.	OAH Case No.: 2011020972 Agency Case No.: 291031 **SETTLEMENT AGREEMENT**

This Settlement Agreement is entered into between Robert C. Velasquez ("Velasquez") and the California Corporations Commissioner ("Commissioner") and is made with respect to the following facts:

RECITALS

A. On or about April 13, 2010, Velasquez filed an application for a mortgage loan originator license with the Commissioner pursuant to the California Finance Lenders Law (California Financial Code sections 22000 et. seq.)("CFL"), in particular, CFL section 22105.1. Velasquez filed the application pursuant to employment on behalf of Paramount Residential Mortgage Group, Inc. as a mortgage loan originator. Velasquez's application was submitted to the Commissioner by filing

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Form MU4 through the Nationwide Mortgage Licensing System ("NMLS").

B. Form MU4 at Question 8 (D)(1) specifically asked: "Have you ever been convicted of or pled nolo contendere ('no contest') in a domestic, foreign, or military court to any felony?" Velasquez answered "yes".

C. In providing details about the felony conviction, Velasquez stated he was involved in a fraudulent telemarketing operation providing debt consolidation services to customers abroad. The use of the mail was employed in collecting client fees for the fraudulent service. As a result, Velasquez was charged with mail fraud, a felony, in the United States District Court, Central District of California. In 1997, Velasquez plead guilty to and was convicted of two counts of mail fraud for violating 18 U.S.C. 1341. Velasquez was sentenced to eighteen (18) months incarceration and ordered to pay a fine and restitution. Velasquez has since completed the terms of his conviction.

D. Financial Code section 22109.1 provides, in relevant part:

> The commissioner shall not issue a mortgage loan originator license unless the commissioner makes, at a minimum, the following findings:
> . . .
> (b) The applicant has not been convicted of, or pled guilty or nolo contendere to, a felony in a domestic, foreign, or military court, as follows:
> . . .
> (2) At any time preceding the date of application, if the felony involved an act of fraud, dishonesty, or a breach of trust, or money laundering.

E. Based on the above, the Commissioner determined not to issue a mortgage loan originator license to Velasquez.

F. On or about February 15, 2011, the Commissioner issued a Statement of Issues in Support of Non-Issuance of Mortgage Loan Originator License ("Statement of Issues").

G. Velasquez requested a hearing on the Statement of Issues. A hearing was held on September 6, 2011. The Commissioner has not yet adopted the proposed decision.

H. It is the intention and desire of the parties to resolve this matter before the Commissioner issues a decision.

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

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TERMS AND CONDITIONS

1. Velasquez hereby agrees to withdraw his application for a mortgage loan originator license on or before January 1, 2012, by filing with the Commissioner a signed letter stating that he hereby withdraws his mortgage loan originator license application and thereafter, filing a withdrawal request through NMLS.

2. Upon receipt of Velasquez's request to withdraw his application for a mortgage loan originator license, the Commissioner agrees to immediately withdraw his decision to not issue a mortgage loan originator license to Velasquez and to dismiss the instant litigation without adopting a decision on the hearing.

3. Nothing in this Agreement shall affect the right of Velasquez to apply for another mortgage loan originator license.

4. Nothing in this Agreement shall affect the right of the Commissioner, in the future, to deny Velasquez a mortgage loan originator license on any grounds permitted by law.

5. 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.

6. 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.

7. 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.

8. 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.

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

10. 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.

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

Dated: _12/22/11___

PRESTON DuFAUCHARD
California Corporations Commissioner

By_____
ALAN S. WEINGER
Deputy Commissioner

Dated: ___12/22/11__

By_____
ROBERT C. VELASQUEZ
an individual

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