ALAN S. WEINGER
Deputy Commissioner
MARISA I. URTEAGA-WATKINS (SBN236398)
Corporations Counsel
Department of Corporations
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Sacramento, California 95814
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Attorneys for Complainant

BEFORE THE DEPARTMENT OF CORPORATIONS
OF THE STATE OF CALIFORNIA

In the Matter of THE CALIFORNIA CORPORATIONS COMMISSIONER, Complainant, v. CAL-PAC ADVISORS, *et. al.*[1] Respondents.	**SETTLEMENT AGREEMENT** Date: Time: Place:

This Settlement Agreement ("Agreement") is entered into between Cal-Pac Advisors a.k.a. or dba Cal Pac Capital Advisors, Cal-Pac Management, Inc., Cal-Pac Mortgage Fund, LLC., Cal-Pac Funding Corporation, www.calpacfunds.com, www.calpacinvesting.com, and

[1] Cal-Pac Capital Advisors a.k.a. or dba Cal Pac Capital Advisors, Cal-Pac Management, Inc., Cal-Pac Mortgage Fund, LLC., Cal-Pac Funding Corporation, www.calpacfunds.com, www.calpacinvesting.com, and www.calpacfunding.com; Cal-Pac Management, Inc., a.k.a. or dba CalPac Management, Inc., Calpac Management, Inc., Cal-Pac Capital Advisors, Cal Pac Capital Advisors, Cal-Pac Mortgage Fund, LLC., Cal-Pac Funding Corporation, www.calpacfunds.com, www.calpacinvesting.com, and www.calpacfunding.com; and Ryan Justin Young, a.k.a. Ryan J. Young, President and Chief Executive Officer, Joshua Raymond Pukini, a.k.a. Joshua Pukini, Vice President.

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www.calpacfunding.com; Cal-Pac Management, Inc., a.k.a. or dba CalPac Management, Inc., Calpac Management, Inc., Cal-Pac Capital Advisors, Cal Pac Capital Advisors, Cal-Pac Mortgage Fund, LLC., Cal-Pac Funding Corporation, www.calpacfunds.com, www.calpacinvesting.com, and www.calpacfunding.com; and Ryan Justin Young, a.k.a. Ryan J. Young, President and Chief Executive Officer, Joshua Raymond Pukini, a.k.a. Joshua Pukini, Vice President *(*collectively, "Cal-Pac"), and the California Corporations Commissioner ("Commissioner") (collectively, the "Parties"), and is made with respect to the following facts.

RECITALS

A. Respondents. Ryan Justin Young, also known as Ryan J. Young (hereinafter, "Young") is an individual California licensed mortgage loan originator (NMLS ID: 353863) and a California licensed real estate broker (DRE ID: 01245001), with a principal place of business located at 3700 Campus Drive, Suite 200, Newport Beach, California, 92660. Young is president and chief executive officer of Cal-Pac Capital Advisors, also known or doing business as Cal Pac Capital Advisors, Cal-Pac Management, Inc., Cal-Pac Mortgage Fund, LLC., Cal-Pac Funding Corporation, www.calpacfunds.com, www.calpacinvesting.com, and www.calpacfunding.com. Joshua Raymond Pukini, also known as Joshua Pukini (hereinafter, "Pukini") is an individual California licensed mortgage loan originator (NMLS ID: 344916) and a California licensed real estate broker (DRE ID: 01773536), with a principal place of business located at 3700 Campus Drive, Suite 200, Newport Beach, California, 92660. Pukini is vice president of Cal-Pac Capital Advisors, also known or doing business as Cal Pac Capital Advisors, Cal-Pac Management, Inc., Cal-Pac Mortgage Fund, LLC., Cal-Pac Funding Corporation, www.calpacfunds.com, www.calpacinvesting.com, and www.calpacfunding.com. Cal-Pac Capital Advisors, also known or doing business as Cal Pac Capital Advisors, Cal-Pac Management, Inc., Cal-Pac Mortgage Fund, LLC., Cal-Pac Funding Corporation, www.calpacfunds.com, www.calpacinvesting.com, and www.calpacfunding.com (hereinafter, "CP") is a business entity of unknown formation with a principal place of business located at 3700 Campus Drive, Suite 200, Newport Beach, California, 92660. CP is in the business of providing loans and capital investment opportunities of a real estate nature to California residents. Cal-Pac Management,

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Inc., also known or doing business as CalPac Management, Inc., Calpac Management, Inc., Cal-Pac Capital Advisors, Cal Pac Capital Advisors, Cal-Pac Mortgage Fund, LLC., Cal-Pac Funding Corporation, www.calpacfunds.com, www.calpacinvesting.com, and www.calpacfunding.com (hereinafter "CM"), is an active California corporation (C2985423) incorporated in 2007. CM is also a California licensed mortgage loan originator (NMLS ID: 254185) and a California licensed real estate corporation (DRE ID: 01856406) with the individual, Young, as CM's designated officer. CM's principal place of business is located at 3700 Campus Drive, Suite 200, Newport Beach, California, 92660. CM is in the business of providing loans and capital investment opportunities of a real estate nature to California residents.

B. Desist and Refrain Order. On or about October 26, 2011, the Department issued to Young, Pukini, CP and CM a Desist and Refrain Order ("Order") ordering Young, Pukini, CP and CM to refrain from engaging in acts in violation of California Corporation Code section 25110. A copy of the Order is attached and incorporated herein as "Exhibit 1".

C. Hearing Request. Young, Pukini, CP and CM timely requested a hearing on the Order as permitted by law, on or about December 1, 2011. Young, Pukini, CP and CM voluntarily waived their rights to proceed to hearing within thirty (30) days of their request for hearing on or about December 1, 2011.

D. Intent to Resolve Matter. It is the intention of the Parties to resolve this matter without the necessity of an administrative hearing or any other litigation.

NOW, THEREFORE, for good and valuable consideration, and the terms and conditions set forth herein, the Parties agree as follows:

TERMS AND CONDITIONS

1. This Agreement is entered into for the purpose of judicial economy and expediency.

2. Cal-Pac acknowledges its right to a hearing under the California Corporate Securities Law of 1968 and it hereby waives the right to any appeal, or other right to review, if any, which may be afforded pursuant to the California Corporate Securities Law of 1968, the California Administrative Procedure Act, the California Code of Civil Procedure, or any other provision of law, and by waiving such rights, it consents to the Agreement as final.

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3. Cal-Pac, in and for purposes of entering into this Agreement, denies the following allegation set forth in the Action:

> "CP, CM, Young and Pukini offered and / or sold the aforementioned securities by means of general solicitation by way of postal delivered correspondence……. to California residents".

4. Cal-Pac in and for purposes of entering into this Agreement, neither admits nor denies the following allegation set forth in the Action:

> "CP, CM, Young and Pukini offered and / or sold the aforementioned securities by means of general solicitation…. thru the internet at CP's and/or CM's website www.calpacfunds.com to California residents".

5. Cal-Pac agrees to the terms of this Agreement in settlement of the Action.

6. It is the intent and understanding between the parties that this Agreement, shall not be binding or admissible against Cal-Pac in any action(s) brought against Cal-Pac by third parties or the Commissioner.

7. Cal-Pac hereby withdraws its request for administrative hearing issued to the Department in or about December 1, 2011.

8. The Commissioner reserves the right to bring any unknown or future actions against Cal-Pac or any of its officers, partners, employees or successors for any and all unknown or future violations of the California Corporate Securities Law of 1968. This Agreement shall not serve to exculpate Cal-Pac or any of its officers, partners, employees or successors from liability for any and all future violations of the California Corporate Securities Law of 1968.

9. The Parties hereby acknowledge and agree that this Agreement is intended to constitute a full, final and complete resolution of the Action. The Parties further acknowledge and agree that nothing contained in this Agreement shall operate to limit the Commissioner's ability to assist any other agencies with any administrative, civil or criminal prosecution brought by any such agency against Cal-Pac, or any other person or entity, based upon any of the activities alleged in this matter or otherwise.

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10. Each of the Parties represents, warrants, and agrees that in executing this Agreement it has relied solely on the statements set forth herein and 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 Agreement; and (2) to preclude the introduction of parol evidence to vary, interpret, supplement, or contradict the terms of this Agreement.

11. This Agreement, including the attached Exhibit, 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 supersedes all prior or contemporaneous agreements, negotiations, representations, understandings, and discussions between and among the Parties, their respective representatives, and any other person or entity.

12. In that the Parties have had the opportunity to draft, review and edit the language of this Agreement, no presumption for or against any party arising out of drafting all or any part of this Agreement will be applied in any action relating to, connected, to, or involving this 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.

13. This Agreement shall not become effective until signed by Cal-Pac and delivered by all Parties. The Commissioner shall file this Agreement with the Office of Administrative Hearings five (5) business days after execution by all Parties.

14. This Agreement may be executed in any number of counterparts by the Parties and when each party has signed and delivered at least one such counterpart to the other party, each counterpart shall be deemed an original and taken together shall constitute one and the same Agreement.

15. No amendment, change or modification of this Agreement shall be valid or binding to

any extent unless it is in writing and signed by all of the Parties affected by it.

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

17. Each party covenants that they possess all necessary capacity and authority to sign and enter into this Agreement. Each party warrants and represents that such party is fully entitled and duly authorized to enter into and deliver this Agreement. In particular, and without limiting the generality of the foregoing, each party warrants and represents that it is fully entitled to enter into the covenants, and undertake the obligations set forth herein.

18. Cal-Pac acknowledges that this Agreement is a public record.

19. The Parties each represent and acknowledge that it is executing this Agreement completely voluntarily and without any duress or undue influence of any kind from any source.

20. Each party represents, warrants, and agrees that it has received or been advised to seek independent legal advice from an attorney with respect to the advisability of executing this Agreement.

21. Notice shall be provided to each party at the following addresses:

If to Respondent to:

Ryan J. Young
Joshua R. Pukini
Cal-Pac Capital Advisors
3700 Campus Drive, Suite 200
Newport Beach, California, 92660

If to the Commissioner to:

Marisa I. Urteaga-Watkins, Esq.
Department of Corporations
1515 K Street
Sacramento, CA 95814

IN WITNESS WHEREOF, the Parties hereto have approved and executed this Agreement on the dates set forth opposite their respective signatures.

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Dated: 04/24/12

JAN LYNN OWEN
California Corporations Commissioner

By_____

ALAN S. WEINGER
Deputy Commissioner
Enforcement Division

CAL-PAC ADVISORS, *et. al.*

Dated: 04/14/12

By_____

RYAN JUSTIN YOUNG,
Authorized Officer
CAL-PAC ADVISORS, *et. al.*

CAL-PAC ADVISORS, *et. al.*

Dated: 04/16/12

By_____

JOSHUA RAYMOND PUKINI,
Authorized Officer
CAL-PAC ADVISORS, *et. al.*

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Dated: 04/14/12 By_____

RYAN JUSTIN YOUNG,
As An Individual

Dated: 04/16/12 By_____

JOSHUA RAYMOND PUKINI,
As An Individual

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