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

11 In the Matter of:) CFL LICENSE NOS.: 6037218
12 THE COMMISSIONER OF BUSINESS) 603F025
OVERSIGHT,) 603I943
13) SETTLEMENT AGREEMENT
14 Complainant,)
15 v.)
16 ADVANCE CAPITAL RESOURCES, LLC,)
17 Respondent.)
18)

19 This Settlement Agreement is entered into between the Commissioner of Business Oversight
20 (Complainant or Commissioner) and Respondent Advance Capital Resources, LLC, (Respondent or
21 Advance Capital) and is made with respect to the following facts:

22 **I.**

23 **RECITALS**

24 A. The Commissioner has jurisdiction over the licensing and regulation of persons and
25 entities engaged in the business of finance lending or brokering under the California Financing Law
26 (CFL) (Fin. Code, § 22000 et seq.).

27 B. Respondent is California limited liability company, with a principal place of business
28 at 15182 Goldenwest Street, Westminster, California 92683.

- 1 C. Respondent is licensed as a finance lender under CFL license number 6037218.
- 2 D. Respondent operated two branch offices under CFL license numbers 603F025 and
3 603I943.
- 4 E. In accordance with Financial Code section 22159, CFL licensees must file an annual
5 report with the Commissioner by March 15 of each year (Annual Report).
- 6 F. On January 16, 2018, the Commissioner notified CFL licensees of the March 15,
7 2018 deadline to file their annual reports by sending notice to the email address of each CFL
8 licensee established pursuant to the Commissioner's Order on Electronic Communications, dated
9 November 22, 2013. The notification admonished licensees that the Commissioner could assess
10 penalties and summarily revoke CFL licenses for untimely filing or failing to file pursuant to
11 Financial Code section 22715.
- 12 G. On February 20, 2018, the Commissioner again notified CFL licensees of the March
13 15, 2018 deadline to file their annual reports by sending notice to the email address each CFL
14 licensee established pursuant to the Commissioner's Order on Electronic Communications, dated
15 November 22, 2013. The notification again warned that the Commissioner could assess penalties
16 and summarily revoke licenses for untimely filing or failing to file pursuant to Financial Code
17 section 22715.
- 18 H. As of March 19, 2018, Respondent had not filed its Annual Report with the
19 Commissioner. As a result, the Commissioner issued a notice letter to Respondent on March 19,
20 2018, advising Respondent that it should file its annual report by or before April 6, 2017 or else its
21 license would be summarily revoked pursuant to Financial Code section 22715 (Notice Letter).
- 22 I. As of April 6, 2018, Respondent had not filed its Annual Report with the
23 Commissioner as directed in the Notice Letter. As a result, on April 11, 2018, the Commissioner
24 issued an Order Summarily Revoking California Finance Lenders License Pursuant to Financial
25 Code Section 22715 for CFL License Number 6037218, an Order Summarily Revoking California
26 Finance Lenders License Pursuant to Financial Code Section 22715 for CFL License Number
27 603F025, and an Order Summarily Revoking California Finance Lenders License Pursuant to
28 Financial Code Section 22715 for CFL License Number 603I943 (Summary Revocation Orders).

1 J. Upon receiving the Summary Revocation Orders, Respondent timely notified the
2 Commissioner that Respondent was requesting a hearing on the Summary Revocation Orders.

3 K. On April 30, 2018, Respondent submitted its Annual Report, which was due on
4 March 15, 2018, 32 business days late. Pursuant to Financial Code Section 22715, the maximum
5 penalty that may be imposed for filing 32 business days late is \$14,000.00 (\$100.00 per business day
6 for the first five business days and \$500.00 per business day thereafter up to a maximum of
7 \$25,000.00).

8 L. In connection with these proceedings, Respondent represented to the Commissioner
9 that it had taken no new applications under its license.

10 M. The Commissioner finds that entering into this Settlement Agreement is in the public
11 interest and consistent with the purposes fairly intended by the policies and provisions of the CFL.

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

14 **II.**

15 **TERMS AND CONDITIONS**

16 1. Purpose. The parties intend to resolve this matter for the purpose of judicial economy
17 and expediency and without the uncertainty and expense of a hearing or other litigation.

18 2. Waiver of Hearing Rights. Respondent hereby agrees to withdraw its request for an
19 administrative hearing on the Summary Revocation Orders. Respondent acknowledges its right
20 under the CFL to an administrative hearing on the Summary Revocation Orders and hereby waives
21 such right to a hearing and to any reconsideration, appeal, injunction or other review that may be
22 afforded under the Financial Code; Administrative Procedure Act, including Government Code
23 section 11415.60, subdivision (b); Code of Civil Procedure; or any other provision of law. By
24 waiving such rights, Respondent effectively consents to the finality of the Summary Revocation
25 Orders.

26 3. Order Rescinding Summary Revocation Orders. The Commissioner hereby rescinds
27 the Summary Revocation Orders, which had been issued on April 11, 2018.
28

1 4. Administrative Penalty. Respondent shall pay an administrative penalty of \$6,000.00
2 no later than 30 days after the effective date of this Settlement Agreement as defined in paragraph
3 18. The penalty must be made payable in the form of a cashier’s check or Automated Clearing
4 House deposit to the Department of Business Oversight and transmitted to the attention of
5 Accounting – Litigation, at the Department of Business Oversight, 1515 K Street, Suite 200,
6 Sacramento, California 95814. Notice of the payment must be concurrently sent to Kelly Suk,
7 Counsel, at the Department of Business Oversight, 320 West 4th Street, Suite 750, Los Angeles,
8 California 90013.

9 5. Failure to Pay Administrative Penalty. If Respondent fails to comply with paragraph
10 4, the Commissioner may summarily suspend it from engaging in business under its licenses until it
11 provides evidence of compliance to the Commissioner’s satisfaction. Respondent hereby waives any
12 notice or hearing rights afforded under the Administrative Procedure Act, including Government
13 Code section 11415.60, subdivision (b); Code of Civil Procedure; or any other provision of law to
14 contest the summary suspension contemplated by this paragraph.

15 6. Full and Final Resolution. Except as stated in paragraph 5, this Settlement
16 Agreement is intended to constitute a full and final resolution of the matter described in it. The
17 Commissioner will not bring any further action or proceeding concerning the matter unless she
18 discovers violations by Respondent that do not form the basis for this Settlement Agreement,
19 including violations knowingly concealed from the Commissioner.

20 7. Commissioner’s Duties. Nothing in this Settlement Agreement limits the
21 Commissioner’s ability to assist any other government agency with any action brought by that
22 agency against Respondent, including an action based on any of the acts, omissions, or events
23 described in this Settlement Agreement.

24 8. Independent Legal Advice. Each of the parties represents, warrants, and agrees that it
25 has had an opportunity to seek independent advice from its attorney(s) and/or representatives with
26 respect to the advisability of executing this Settlement Agreement.

27 9. Reliance. Each of the parties represents, warrants, and agrees that in executing this
28 Settlement Agreement it has relied solely on the statement set forth herein and has had the

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

9 10. Full Integration. This Settlement Agreement is the final written expression and the
10 complete and exclusive statement of all the agreements, conditions, promises, representations, and
11 covenants between the parties with respect to the subject matter hereof, and supersedes all prior or
12 contemporaneous agreements, negotiations, representations, understandings, and discussions
13 between and among the parties, their respective representatives, and any other person or entity, with
14 respect to the subject matter covered hereby. The parties have included this clause to preclude the
15 introduction of parol evidence to vary, interpret, supplement, or contradict the terms of this
16 Settlement Agreement.

17 11. No Presumption Against Drafter. In that the parties have had the opportunity to draft,
18 review, and edit the language of this Settlement Agreement, no presumption for or against any party
19 arising out of drafting all or any part of this Settlement Agreement will be applied in any action
20 relating to, connected to, or involving this Settlement Agreement. Accordingly, the parties waive the
21 benefit of Civil Code section 1654 and any successor or amended statutes, providing that in cases of
22 uncertainty, language of a contract should be interpreted most strongly against the party who caused
23 the uncertainty to exist.

24 12. Voluntary Agreement. Respondent hereby enters in this Settlement Agreement
25 voluntarily and without coercion and acknowledges that no promises, threats, or assurances have
26 been made by the Commissioner or any officer, or agent thereof, about this Settlement Agreement.

27 13. Waiver, Amendments, and Modifications. No waiver, amendment, or modification of
28 this Settlement Agreement will be valid or binding unless it is in writing and signed by all parties

1 affected by it. Waiver of a provision of this Settlement Agreement will not be deemed a waiver of
2 any other provision.

3 14. Counterparts. The parties agree that this Settlement Agreement may be executed in
4 one or more separate counterparts, each of which when so executed, shall be deemed an original. A
5 fax or electronic mail signature shall be deemed the same as an original signature. Such counterparts
6 shall together constitute and be one and the same instrument.

7 15. Public Record. Respondent acknowledges that the Settlement Agreement is public
8 record.

9 16. Headings. The headings to the paragraphs of this Settlement Agreement are inserted
10 for convenience only and will not be deemed a part hereof or affect the construction or interpretation
11 of the provisions hereof.

12 17. Governing Law. This Settlement Agreement shall be construed and enforced in
13 accordance with and governed by California law.

14 18. Effective Date. This Settlement Agreement will become effective on the date it is
15 signed by all parties and delivered by the Commissioner to Respondent’s CEO Paul Altieri by
16 electronic mail at paul@jccash.com.

17 19. Settlement Authority. Each party represents that the person signing this Settlement
18 Agreement on its behalf has the authority and capacity to do so.

19
20 Dated: 5/15/18

JAN LYNN OWEN
Commissioner of Business Oversight

21
22 By: _____

MARY ANN SMITH
Deputy Commissioner
Enforcement Division

23
24
25 Dated: 5/15/18

ADVANCE CAPITAL RESOURCES, LLC

26
27 By: _____

PAUL ALTIERI
President