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12 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
13 OF THE STATE OF CALIFORNIA

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15 In the Matter of:) NMLS NO.: 243377
16 THE COMMISSIONER OF BUSINESS)
OVERSIGHT,) STIPULATION TO REVOKE MORTGAGE
17) LOAN ORIGINATOR LICENSE
18 Complainant,)
19 v.)
20 ANDRES EUGENIO MONSALVE,)
21 Respondent.)
22)
23)

24 This Stipulation to revoke the mortgage loan originator license (Stipulation) of Andres
25 Eugenio Monsalve (Monsalve) is entered into between Monsalve and the Commissioner of Business
26 Oversight (Commissioner) (collectively, the Parties) and is made with respect to the following facts:
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1 **RECITALS**

2 A. The Commissioner has jurisdiction over the licensing and regulation of mortgage loan
3 originators under the provisions of the California Finance Lenders Law (CFLL) (Fin. Code, § 22000
4 et seq.) and the California Residential Mortgage Lending Act (CRMLA) (Fin. Code, § 50000 et seq.)
5 and the regulations promulgated under title 10 of the California Code of Regulations (Cal. Code
6 Regs., tit. 10, §§ 1404 et seq., 1950.003 et seq.).

7 B. Monsalve is a mortgage loan originator (MLO) licensed by the Commissioner since
8 June 7, 2010 under the CFLL and CRMLA. An MLO license is renewed annually between November
9 1 and December 31.

10 C. Monsalve was employed as an Area Manager and MLO with Axia Home Loans
11 (Axia) from February of 2015 to March of 2016. He was terminated after allegations were made that
12 he had violated California laws regulating loan origination activities.

13 D. On or about May 17, 2016, Paramount Residential Mortgage Group (Paramount)
14 (NMLS NO. 75243) submitted a Form MU4¹ through the Nationwide Mortgage Licensing System
15 and Registry (NMLS) attested to by Monsalve. The Form MU4 indicated that Monsalve was an
16 employee of the company as of May 2, 2016. But Monsalve failed to disclose or provide any
17 explanation concerning his termination from Axia to questions (Q) (1) and (2) under “Termination
18 Disclosure,” which asked:

19 (Q) Have you ever voluntarily resigned, been discharged, or permitted to
20 resign after allegations were made that accused you of:

21 (1) violating statute(s), regulations(s), rules(s), or industry standards of
22 conduct?

23 (2) fraud, dishonesty, theft, or the wrongful taking of property?

24 Records show that Monsalve voluntarily resigned from Paramount on June 14, 2016.

25 E. On or about June 15, 2016, Broker Solutions, Inc. (Broker Solutions) (NMLS No.
26 6606) submitted a Form MU4 through NMLS attested to by Monsalve. The Form MU4 showed that

27 ¹ Form MU4 refers to the uniform licensing form developed by the Nationwide Mortgage Licensing System and Registry
28 for an individual mortgage loan originator license or registration, entitled “Uniform Individual Mortgage
License/registration & Consent Form. (Cal. Code Regs., tit 10, § 1404, subd. (j).) This form enables the NMLS system to
capture and store criminal background-check information, enables the credit report to be authorized, and stores education
and testing requirement compliance information.

1 Monsalve was employed by Broker Solutions as of June 15, 2016. Again Monsalve failed to disclose
2 or provide any explanation concerning his termination from Axia to questions (Q) (1) and (2) under
3 “Termination Disclosure.” Likewise, Monsalve failed to provide any explanation about his
4 resignation from Paramount.

5 F. Monsalve’s termination by Axia after allegations were made that he had violated
6 California laws regulating loan origination activities and his voluntary resignation from Paramount
7 constitute changed information that he failed to disclose and amend in his Form MU4 in violation of
8 California Code of Regulations, title 10, sections 1409.1, subdivision (c) and 1950.122.9, subdivision
9 (c).

10 G. The Commissioner finds that entering into this Stipulation is in the public interest,
11 protects consumers, and is consistent with the purposes fairly intended by the policies and provisions
12 of the CFLL and CRMLA.

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

15 **TERMS AND CONDITIONS**

16 1. Purpose. It is the intention and desire of the Parties to resolve this matter without the
17 necessity of a hearing or other litigation for the purpose of judicial economy and expediency and to
18 avoid the expense of a hearing and possible further court proceedings.

19 2. Acknowledgment. Monsalve acknowledges that the Commissioner issued an
20 Accusation dated October 19, 2016, in which she alleged that he violated Financial Code sections
21 22161, subdivision (f) and 50204, subdivision (k) and California Code of Regulations, title 10,
22 sections 1409.1, subdivision (c) and 1950.122.9, subdivision (c), as set forth in the Accusation.

23 3. Final Order. Monsalve agrees to the issuance of an order revoking his MLO license,
24 license number CA-DOC243377 (Revocation Order), under Financial Code sections 22172 and
25 50327 which is attached as Exhibit 1. The Revocation Order will be considered a final order.
26 Monsalve agrees that the executed Revocation Order issued by the Commissioner will be delivered
27 by certified mail to the address in Paragraph 15.
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1 4. Waiver of Hearing Rights. Monsalve acknowledges and agrees that this Stipulation
2 shall have the effect of withdrawing his request for an administrative hearing in this matter. Monsalve
3 acknowledges his right to an administrative hearing under the CFLL and CRMLA in connection with
4 the Accusation and hereby waives such right to a hearing and to any reconsideration, appeal, or other
5 rights which may be afforded him under the CFLL, CRMLA, Administrative Procedure Act (APA)
6 (Gov. Code, § 11370 et seq.), Code of Civil Procedure (CCP) (Code Civ. Proc., § 1 et seq.), or any
7 provision of law in connection with this matter.

8 5. Commissioner’s Duties. The Parties further acknowledge and agree that nothing in
9 this Stipulation shall limit the Commissioner’s ability to assist any other agency (city, county, state,
10 or federal) with any prosecution, administrative, civil, or criminal, brought by any such agency
11 against Monsalve or any other person based on any of the activities alleged in this or other matters.

12 6. Binding. This Stipulation is binding on all heirs, assigns, or successors in interest.

13 7. Third Party Actions. It is the intent and understanding between the Parties that this
14 Stipulation does not create any private rights or remedies against Monsalve, create any liability for
15 Monsalve, or limit defenses of Monsalve for any person or entity not a party to this Stipulation.

16 8. Independent Legal Advice. Each of the parties represents, warrants, and agrees that it
17 has received independent advice from its attorney(s) or representative(s) with respect to the
18 advisability of executing this Stipulation.

19 9. Waiver, Modification, and Qualified Integration. The waiver of any provision of this
20 Stipulation shall not operate to waive any other provision set forth herein. No waiver, amendment, or
21 modification of this Stipulation shall be valid or binding to any extent unless it is in writing and
22 signed by all the parties affected by it.

23 10. Headings and Governing Law. The headings to the paragraphs of this Stipulation are
24 inserted for convenience only and will not be deemed a part hereof or affect the construction or
25 interpretation of the provisions hereof. This Stipulation shall be construed and enforced in accordance
26 with and governed by California law.

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1 11. Full Integration. Each of the parties represents, warrants, and agrees that in executing
2 this Stipulation it has relied solely on the statements set forth herein and the advice of its own
3 counsel. Each of the parties further represents, warrants, and agrees that in executing this Stipulation
4 it has not relied on any statement, representation, or promise of any other party, or any other person
5 or entity not expressly set forth herein, or upon the failure of any party or any other person or entity
6 to make any statement, representation, or disclosure of anything whatsoever. The Parties have
7 included this clause (1) to preclude any claim that any party was in any way fraudulently induced to
8 execute this Stipulation and (2) to preclude the introduction of parol evidence to vary, interpret,
9 supplement, or contradict the terms of this Stipulation.

10 12. Presumption from Drafting. In that the Parties have had the opportunity to draft,
11 review, and edit the language of this Stipulation, no presumption for or against any party arising out
12 of drafting all or any part of this Stipulation will be applied in any action relating to, connected to, or
13 involving this Stipulation. Accordingly, the Parties waive the benefit of Civil Code section 1654 and
14 any successor or amended statute, providing that in cases of uncertainty, language of a contract
15 should be interpreted most strongly against the party that caused the uncertainty to exist.

16 13. Voluntary Agreement. Monsalve enters into this Stipulation voluntarily and without
17 coercion and acknowledges that no promises, threats, or assurances have been made by the
18 Commissioner or any of her officers or agents about this Stipulation.

19 14. Effective Date. This Stipulation shall become final and effective when signed by all
20 parties and delivered by the Commissioner’s agent to Monsalve’s counsel via e-mail at
21 mcquinn@vedderprice.com.

22 15. Notice. Any notices required under this Stipulation shall be provided to each party at
23 the following addresses:

24 If to Respondent: Andres Monsalve
25 15260 Saddleback Road
26 Santa Clarita, CA 91387

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If to the Commissioner: Marlou de Luna, Senior Counsel
Department of Business Oversight
320 West 4th Street, Suite 750
Los Angeles, California 90013

16. Authority to Execute. Each signatory to this Stipulation covenants that he or she possesses all necessary capacity and authority to sign and enter into it.

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

Dated: 7/7/17 JAN LYNN OWEN
Commissioner of Business Oversight

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

Dated: 7/6/17 ANDRES EUGENIO MONSALVE

By _____
Andres Eugenio Monsalve

Approved as to Form and Content

By _____
Michael Quinn, Esq.
Vedder Price
Attorney on behalf of Andres Eugenio Monsalve