

1 PRESTON DuFAUCHARD
California Corporations Commissioner
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8
9 **BEFORE THE STATE OF CALIFORNIA**
10 **BUSINESS, TRANSPORTATION AND HOUSING AGENCY**
11 **DEPARTMENT OF CORPORATIONS**

12 In the Matter of:

OAH Case No.: 2011020972
Agency Case No.: 291031

13 THE CALIFORNIA CORPORATIONS
14 COMMISSIONER,

SETTLEMENT AGREEMENT

15 Complainant,

16 v.

17 ROBERT C. VELASQUEZ, an individual,

18 Respondent.

19
20 This Settlement Agreement is entered into between Robert C. Velasquez (“Velasquez”) and
21 the California Corporations Commissioner ("Commissioner") and is made with respect to the
22 following facts:

23 **RECITALS**

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

1 Form MU4 through the Nationwide Mortgage Licensing System (“NMLS”).

2 B. Form MU4 at Question 8 (D)(1) specifically asked: “Have you ever been convicted of
3 or pled nolo contendere (‘no contest’) in a domestic, foreign, or military court to any felony?”

4 Velasquez answered “yes”.

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

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

13 The commissioner shall not issue a mortgage loan originator license
14 unless the commissioner makes, at a minimum, the following findings:

15 . . .

16 (b) The applicant has not been convicted of, or pled guilty or nolo
17 contendere to, a felony in a domestic, foreign, or military court, as follows:

18 . . .

19 (2) At any time preceding the date of application, if the felony involved
20 an act of fraud, dishonesty, or a breach of trust, or money laundering.

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

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

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

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

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

1 **TERMS AND CONDITIONS**

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

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

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

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

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

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

26 7. This Settlement Agreement is the final written expression and the complete and
27 exclusive statement of all the agreements, conditions, promises, representations, and covenants
28 between the parties with respect to the subject matter hereof, and supercedes all prior or

1 contemporaneous agreements, negotiations, representations, understandings, and discussions between
2 and among the parties, their respective representatives, and any other person or entity, with respect to
3 the subject matter covered hereby.

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

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

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

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

20 Dated: 12/22/11

PRESTON DuFAUCHARD
California Corporations Commissioner

23 By _____
24 ALAN S. WEINGER
25 Deputy Commissioner

26 Dated: 12/22/11

27 By _____
28 ROBERT C. VELASQUEZ
an individual

1 PRESTON DuFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Deputy Commissioner
3 ALEX CALERO (SBN 238389)
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9 BEFORE THE DEPARTMENT OF CORPORATIONS
10 OF THE STATE OF CALIFORNIA

<p>11 In the Matter of the Statement of Issues of THE 12 CALIFORNIA CORPORATIONS 13 COMMISSIONER, 14 Complainant, 15 vs. 16 ROBERT CARLOS VELASQUEZ, an 17 individual, 18 Respondent.</p>	<p>NMLS No.: 291031 Sponsor File No.: 603-D903 STATEMENT OF ISSUES IN SUPPORT OF NON-ISSUANCE OF MORTGAGE LOAN ORIGINATOR LICENSE</p>
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20 The California Corporations Commissioner (“Complainant” or “Commissioner”) is informed
21 and believes, and based upon such information and belief, alleges and charges as follows:

22 I. INTRODUCTION

23 On or about December 28, 2010, Complainant determined not to issue a mortgage loan
24 originator license to Robert Carlos Velasquez ("Respondent"), pursuant to California Financial Code
25 section 22109.1, because Respondent has pled guilty to and has been convicted of a felony involving
26 an act of fraud or dishonesty. Respondent requested a hearing to challenge Complainant’s
27 determination. This action followed.

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1 II. THE APPLICATION

2 On or about April 13, 2010, Respondent filed an application for a mortgage loan
3 originator license with the Commissioner pursuant to the California Finance Lenders Law
4 (California Financial Code sections 22000 et. seq.)(“CFL”), in particular, CFL section 22105.1.
5 Respondent filed the application pursuant to employment on behalf of Paramount Residential
6 Mortgage Group, Inc. as a mortgage loan originator. Paramount Residential Mortgage Group, Inc.
7 has its principal place of business located at 1265 Corona Pointe Place, 3rd Floor, Corona,
8 California, 92879. Respondent’s application was submitted to the Commissioner by filing Form
9 MU4 through the Nationwide Mortgage Licensing System (“NMLS”).

10 Form MU4 at Question 8 (D)(1) specifically asked: “Have you ever been convicted of or pled
11 nolo contendere (‘no contest’) in a domestic, foreign, or military court to any felony?” Respondent
12 answered “yes”. Respondent signed the Form MU4 certifying and swearing that the answers
13 provided in the Form MU4, including exhibits and other information filed therewith, were true,
14 accurate and complete.

15 III. CRIMINAL CONVICTION

16 Respondent stated in the Form MU4 that he had been convicted of a felony. In providing
17 details about the felony conviction, Respondent stated he was involved in a fraudulent telemarketing
18 operation providing debt consolidation services to customers abroad. The use of the mail was
19 employed in collecting client fees for the fraudulent service. As a result, Respondent was charged
20 with two counts of mail fraud, a felony. Documentation obtained by the Commissioner during the
21 application process disclosed that Respondent, in the United States District Court, Central District of
22 California, had plead guilty to and on or about March 17,1997 was convicted of two counts of mail
23 fraud for violating 18 U.S.C. 1341. Respondent was sentenced to eighteen (18) months incarceration
24 and ordered to pay a fine and restitution. Respondent has since completed the terms of his conviction.

25 18 U.S.C. 1341 provides, in relevant part:

26 Whoever, having devised or intending to devise any scheme or artifice
27 to defraud, or for obtaining money or property by means of false or
28 fraudulent pretenses, representations, or promises. . . , places in any post
office, any matter or thing whatever to be sent or delivered by the Postal
Service, . . . shall be fined under this title or imprisoned . . . , or both.

1 Conviction under 18 U.S.C. 1341 has been recognized in California as a felony of which fraud is the
2 principle element. (See *In re Utz*, (1998) 48 Cal.3d 467, 484).

3 Financial Code section 22109.1 provides, in relevant part:

4 The commissioner shall not issue a mortgage loan originator license
5 unless the commissioner makes, at a minimum, the following findings:

6 . . .

7 (b) The applicant has not been convicted of, or pled guilty or nolo
8 contendere to, a felony in a domestic, foreign, or military court, as follows:

9 . . .

10 (2) At any time preceding the date of application, if the felony involved
11 an act of fraud, dishonesty, or a breach of trust, or money laundering.

12 Preceding Respondent’s April 13, 2010 application for a mortgage loan originator license,
13 Respondent plead guilty to and was convicted on two counts of mail fraud, on or about March 17,
14 1997, a felony involving an act of fraud or dishonesty.

15 IV. CONCLUSION

16 Complainant finds, by reason of the foregoing, that Respondent has been convicted of and
17 pled guilty to two counts of mail fraud for violations of 18 U.S.C. Section 1341, which constitutes a
18 felony involving an act of fraud or dishonesty.

19 THEREFORE, Complainant asserts that Financial Code section 22109.1 mandated that
20 Complainant not issue a mortgage loan originator license to Respondent under the California Finance
21 Lenders Law.

22 WHEREFORE IT IS PRAYED that the determination of Complainant to not issue a mortgage
23 loan originator license to Respondent in connection with Respondent’s April 13, 2010 application be
24 upheld.

25 Dated: February 15, 2011
26 Los Angeles, CA

27 PRESTON DuFAUCHARD
28 California Corporations Commissioner

By _____
ALEX CALERO
Corporations Counsel
Attorney for Complainant

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Deputy Commissioner
2 ALEX M. CALERO (SBN: 238389)
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12 THE CALIFORNIA CORPORATIONS
13 COMMISSIONER,

14 Complainant,

15 v.

16 ROBERT C. VELASQUEZ, an individual,

17 Respondent.

**ORDER DISMISSING STATEMENT OF
ISSUES IN SUPPORT OF NON-ISSUANCE
OF MORTGAGE LOAN ORIGINATOR
LICENSE**

18
19 Pursuant to the Settlement Agreement entered into between Robert C. Velasquez and the
20 California Corporations Commissioner on December 22, 2011, the Statement of Issues in Support of
21 Non-Issuance of Mortgage Loan Originator License issued by the Commissioner on February 15,
22 2011 is hereby dismissed.

23 Dated: December 28, 2011
Los Angeles, CA

JAN LYNN OWEN
California Corporations Commissioner

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25 By _____
26 ALAN S. WEINGER
Deputy Commissioner
27
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