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8 Attorneys for Complainant

9 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
10 OF THE STATE OF CALIFORNIA
11

12 In the Matter of:) OAH CASE NO. 2019010429
) AGENCY CASE NO. 60DBO-58968
13 THE COMMISSIONER OF BUSINESS)
14 OVERSIGHT,)
) SETTLEMENT AGREEMENT
15 Complainant,)
)
16 v.) Hearing Date: June 24-26, 2019
) Time: 9:00 a.m.
17 ZERO PARALLEL, LLC,) Location: Office of Administrative Hearings
) 320 West 4th Street, Suite 630
18 Respondent.) Los Angeles, California 90013
)

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21 This Settlement Agreement is entered into between the Commissioner of Business Oversight
22 (Commissioner) and Respondent Zero Parallel, LLC (Zero Parallel), and is made with respect to the
23 following facts:

24 **Recitals**

25 A. Zero Parallel, LLC is a limited liability company in good standing, duly formed and
26 existing pursuant to the laws of the State of California. Zero Parallel’s principal place of business is
27 at 505 North Brand, 16th Floor, Glendale, California 91203.

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1 B. Michael Cordova is the Corporate Counsel of Zero Parallel. Michael Cordova is
2 authorized to enter into this Settlement Agreement on behalf of Zero Parallel.

3 C. The Commissioner has jurisdiction over the licensing and regulation of persons and
4 entities under the provisions of the California Financing Law (CFL) (Fin. Code § 22000, *et seq.*)
5 and the California Deferred Deposit Transaction Law (CDDTL) (Fin. Code § 23000, *et seq.*)

6 D. On December 7, 2018 the Commissioner issued a Desist and Refrain Order (Order)
7 against Zero Parallel for violating Financial Code sections 22100, subdivision (a), and 23005,
8 subdivision (a).

9 E. On December 18, 2018, Zero Parallel timely requested a hearing on the Order.

10 F. A hearing on the Order is currently set to be held before the Office of Administrative
11 Hearings on June 24, 2019.

12 G. The Commissioner finds that entering into this Settlement Agreement is in the public
13 interest and is consistent with the purposes fairly intended by the policies and provisions of the CFL
14 and the CDDTL.

15 H. It is the intention of Zero Parallel and the Commissioner (the Parties) to resolve this
16 matter without an administrative hearing or other litigation.

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

19 **Terms and Conditions**

20 1. Finality of Amended Desist and Refrain Order. Zero Parallel consents to the
21 Commissioner’s immediate and contemporaneous issuance of an Amended Desist and Refrain
22 Order (Amended Order), a form of which is attached hereto as Exhibit A and is incorporated
23 herein by reference. The Amended Order supersedes the Order.

24 2. Administrative Penalties. Zero Parallel shall pay a penalty of \$110,000.00 to the
25 Commissioner (Penalty). The Penalty shall be paid no later than thirty days after the Effective
26 Date, as defined in Paragraph 21, and should be made payable in the form of a cashier’s check or
27 Automated Clearing House deposit to the “Department of Business Oversight” and transmitted
28 to the attention of: Accounting – Enforcement Division, Department of Business of Oversight,

1 1515 K Street, Suite 200, Sacramento, California 95814. Notice of such payment shall be
2 forwarded to Adam Wright, Senior Counsel, Department of Business Oversight, Enforcement
3 Division, 320 West 4th Street, Suite 750, Los Angeles, California 90013.

4 3. Withdrawal of Request for Hearing and Waiver of Hearing Rights. Zero Parallel
5 agrees to withdraw its request for an administrative hearing on the Order. Zero Parallel
6 acknowledges its right to an administrative hearing under the CFL and the CDDTL on the Order
7 and the Amended Order, and hereby waives such right to a hearing and to any reconsideration,
8 appeal, injunction, or other review that may be afforded under the CFL; the CDDTL;
9 Administrative Procedure Act, including Government Code section 11415.60, subdivision (b); Code
10 of Civil Procedure; or any other provision of law. By waiving its rights, Zero Parallel understands,
11 acknowledges and consents to the finality of the Amended Order.

12 4. Failure to Comply. Zero Parallel acknowledges that the terms of this Settlement
13 Agreement and the Amended Order require it to cease referring leads for California consumers to
14 lenders licensed under the CFL or the CDDTL, and to pay the Penalty by the date due. If it fails to
15 comply with these requirements, or with any other requirements set forth herein, Zero Parallel shall
16 be in breach of this Settlement Agreement.

17 5. Full and Final Agreement. The Parties hereby acknowledge and agree that this
18 Settlement Agreement is intended to constitute a full, final, and complete resolution of the
19 violations set forth in the Order and Amended Order (Violations), and that no further proceedings
20 or actions will be brought by the Commissioner based upon the Violations, under the CFL, the
21 CDDTL or any other provision of law, unless the proceeding or action is based upon discovery of
22 new and further violations of the CFL or the CDDTL that do not form the basis for this Settlement
23 Agreement or which were knowingly concealed from the Commissioner by Zero Parallel.

24 6. Future Actions by Commissioner. Nothing in this Settlement Agreement limits the
25 Commissioner's ability to assist any other government agency with any action brought by that
26 agency (city, county, state or federal) with any prosecution, administrative, civil, and/or criminal
27 brought by any such agency against Zero Parallel, including an action based on any of the acts,
28 omissions, or events described in this Settlement Agreement.

1 7. Third-Parties. It is the intent and understanding between the Parties that this
2 Settlement Agreement does not create any private rights or remedies against Zero Parallel or create
3 any liability for Zero Parallel or limit defenses of Zero Parallel against any person or entity not a
4 party to this Settlement Agreement.

5 8. Waiver, Amendments, and Modifications. No waiver, amendment, or modification
6 of this Settlement Agreement will be valid or binding unless it is in writing and signed by each of
7 the Parties. Waiver of a provision of this Settlement Agreement will not be deemed a waiver of any
8 other provision.

9 9. No Further Representation. Each of the Parties represents that in executing this
10 Settlement Agreement it has relied solely on the statements set forth in this Settlement Agreement
11 and on the advice of its counsel or representatives. Each of the Parties further represents that, in
12 executing this Settlement Agreement, it has not relied on any statement, representation, or promise
13 of any other party or any other person or entity not expressly set forth in this Settlement Agreement
14 or upon the failure of any party or any other person or entity to make any statement, representation,
15 or disclosure. The Parties have included this clause to preclude any claim that any party was
16 fraudulently induced to execute this Settlement Agreement.

17 10. Integration. This Settlement Agreement is the final written expression and the
18 complete and exclusive statement of all the agreements, conditions, promises, representations, and
19 covenants between the Parties concerning its subject matter and supersedes all discussion regarding
20 such subject matter between the Parties, their representatives, and any other person. The Parties
21 have included this clause to preclude the introduction of parol evidence to vary, interpret,
22 supplement, or contradict the terms of this Settlement Agreement.

23 11. Reliance. Each party represents that in executing this Settlement Agreement it has
24 relied solely on the statements in the Settlement Agreement and on the advice of its counsel or
25 representatives. Each party also represents that it has not relied on any statement or promise not
26 contained in this Settlement Agreement from any other person or on the failure of such person to
27 make a statement or promise. The Parties have included this clause to preclude any claim that a
28 party was fraudulently induced to execute this Settlement Agreement.

1 12. Independent Legal Advice. Each party represents that it has received independent
2 advice from its counsel or representatives regarding the advisability of executing this Settlement
3 Agreement.

4 13. Voluntary Agreement. Zero Parallel enters into this Settlement Agreement
5 voluntarily and without coercion and acknowledges that no promises, threats, or assurances about
6 this Settlement Agreement have been made by the Commissioner or any of her officers or agents.

7 14. No Presumption Against Drafting Party. Each party acknowledges that it has had the
8 opportunity to draft, review, and edit the language of this Settlement Agreement. Accordingly, the
9 Parties intend that no presumption for or against the drafting party will apply in construing any part
10 of this Settlement Agreement. The Parties waive the benefit of Civil Code section 1654 as amended
11 or corresponding provisions of any successor statute, which provide that in cases of uncertainty,
12 language of a contract should be interpreted most strongly against the party that caused the
13 uncertainty to exist.

14 15. Authority to Sign. Each of the Parties represent that the person signing this
15 Settlement Agreement on its behalf has the authority and capacity to do so.

16 16. Public Record. Zero Parallel acknowledges that this Settlement Agreement and the
17 Amended Order will be a matter of public record.

18 17. Headings. The headings in this Settlement Agreement are for convenience only and
19 do not affect its meaning.

20 18. Governing Law. This Settlement Agreement will be governed by and construed in
21 accordance with the laws of the State of California.

22 19. Counterparts. This Settlement Agreement may be executed in any number of
23 counterparts, each of which will be deemed an original when executed. All counterparts together
24 will be deemed to constitute a single document.

25 20. Signatures. A signature delivered by facsimile or electronic mail will be deemed an
26 original signature.

27 21. Effective Date. This Settlement Agreement shall be effective as of March 1, 2019.

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Dated: 2/21/19

JAN LYNN OWEN
Commissioner of Business Oversight

By: _____
MARY ANN SMITH
Deputy Commissioner

Dated: 2/21/19

ZERO PARALLEL, LLC

By _____
Michael Cordova
Corporate Counsel

Approved as to form:

Dated: 2/21/19

By: _____
David Sands
Sheppard, Mullin, Richter & Hampton