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

11 In the Matter of:) NMLS ID: 1841978
)
12 THE COMMISSIONER OF BUSINESS) SETTLEMENT AGREEMENT
13 OVERSIGHT,)
) Hearing Date: January 11, 2021
14 Complainant,) Hearing Time: 9:00 a.m.
) Location: OAH - 320 West 4th Street,
15 v.) Suite 630
) Los Angeles, CA 90013
16) Judge: Unassigned
17 RAUL DY PARRADO,)
)
18 Respondent.)
)
19)
20)

21 This Settlement Agreement (Settlement Agreement) is entered between the Commissioner of
22 Business Oversight (Commissioner) and Raul DY Parrado (Parrado) and is made with respect to the
23 following facts:

24 **I.**
25 **Recitals**

26 A. On or around June 10, 2019, Parrado filed an application for a mortgage loan
27 originator (MLO) license with the Commissioner by submitting a Form MU4 (Application) through
28 the Nationwide Mortgage Licensing System (NMLS) under Financial Code section 50140.

1 B. Parrado answered “Yes” to Regulatory Action Question K (5), which asks, in
2 pertinent part: “Has any State or federal regulatory agency or foreign financial regulatory authority
3 or self-regulatory organization (SRO) ever: revoked your registration or license....?”

4 C. In further response to the SRO, Parrado uploaded documentation which revealed that
5 on or about April 5, 2019, the California Department of Social Services (CDSS) revoked Parrado’s
6 Residential Care for the Elderly Administrator license (RCFE) for abandoning a residential care
7 facility under his care.

8 D. Parrado provided the following explanation in response to the SRO: “I was
9 owner/operator of a 200 bed assisted living facilities. After being there for 12 years, one of the
10 owner’s son wanted someone else in the building. He wanted me to release them of the lease
11 agreement, when I refused, he threatened to hire an [sic] law firm to have my license revoke [sic].
12 He then hired a law firm to build a case against me to have my license revoke [sic]....”

13 E. Parrado answered “No” to Customer Arbitration/Civil Litigation Disclosure question
14 (P), which asks in pertinent part:

15 (P) Have you ever been named as a respondent/defendant in a financial services-
16 related consumer-initiated arbitration or civil litigation which:

17 (1) is still pending?

18 (2) resulted in an arbitration award or civil judgment against you, regardless of
19 amount, or that required corrective action?

20 (3) was settled for any amount?

21 F. Parrado signed his Application on June 10, 2019 under penalty of perjury, attesting
22 that “the information and statements contained herein, including exhibits attached hereto, and other
23 information filed herewith, all of which are made a part of this application are current, true, accurate
24 and complete[.]” The attestation contains the following admonition to which Parrado agreed: “If an
25 Applicant has made a false statement of material fact in this application or in any documentation
26 provided to support the foregoing application, then the foregoing application may be denied.”

27 G. The Department investigates each mortgage loan originator license application it
28 receives. The Department’s investigation disclosed that on or about December 2018, a civil action

1 was filed against Parrado in the California Superior Court, County of Los Angeles, in the matter of
2 *DF & RW, Inc. a California corporation, dba F&W Foodservices v. Seville Circle, Inc., dba Le Bleu*
3 *Chateau, and Raul Parrado, an individual*, case number 18STCV00257 (hereafter *DF & RW v.*
4 *Parrado*).

5 H. On or around June 21, 2019, the Commissioner created a license item in NMLS
6 instructing Parrado to submit an amended application updating his response to Customer
7 Arbitration/Civil Litigation Disclosure Question (P)(1), along with “detailed explanations of the
8 circumstances and upload applicable legal documents” for Questions P(1).

9 I. On July 2, 2019, Parrado filed an amended MU4 and amended his response to
10 Customer Arbitration/Civil Litigation Disclosure question (P)(3) from “No” to “Yes.” Parrado
11 uploaded the caption page of a “Request for Entry of Default Judgment” that was filed against him
12 in *DF & RW v. Parrado*. Parrado did not provide any explanation as to the circumstances leading to
13 the lawsuit.

14 J. On October 8, 2019, Parrado filed an amended MU4, further updating his response to
15 Customer Arbitration/Civil Litigation Disclosure question (P). Parrado responded “No” to
16 Questions P (1) and (2) which ask whether the applicant has ever been named as a respondent or
17 defendant in a financial services-related consumer-initiated arbitration or civil litigation which is still
18 pending or resulted in an arbitration award or civil judgment against the applicant. Parrado
19 responded “Yes” to the Question P (3) which asks whether the applicant has ever been named as a
20 respondent or defendant in a financial services-related consumer-initiated arbitration or civil
21 litigation which was settled for any amount.

22 K. Parrado also provided the following amended explanation to his response to Question
23 K (5), which asks whether any SRO has ever revoked Parrado’s registration or license:

24 I was owner/operator of a 200 bed assisted living facilities. After being
25 there for 12 years. one of the owner's son wanted someone else in the
26 building. He wanted me to release them of the lease agreement, when I
27 refuse he threatened to hire an law firm to have my license revoke. He
28 then hired a law firm to build a case against me to have my license revoke
With this explanation are documents that supports my claim. 1.) Lease
termination that he wanted me to sign. 2.) The letter to the license to

1 initiate to have my license revoke I had a meeting with my landlord. Jack
2 Silverman. I had asked him that the business can no longer be sustainable
3 due to the high rent that I was paying. Mr. Silverman refused to lower the
4 rent. Mr. Silverman and I then agreed that I will return the facility back to
5 him. I sent an email to the Dept. of Social Services' supervisor informing
6 her of the transition/transfer of operation and license. I told licensing that I
7 will still be the over seer of the facility while Mr. Silverman is applying
8 for his license. During this time I was unemployed, no income coming in
9 and it was a very stressful time. My wife was 4 months pregnant and we
10 had a 1 year old child. My wife was shaking uncontrollably. and we were
11 afraid that we were going to lose the baby. Because of this circumstances.
12 I overlook filling a change or ownership/license to the Dept. of Social
13 Services. which is a violation.... Mr. Silverman had previously owned
14 multiple nursing homes, assisted living. He was more than qualified to
15 take over the facility. I did not defend myself on the allegation of
16 abandoning the facility due to the fact that I had no means to hire an
17 attorney to defend myself and the allegation. The only wrong that I did
18 was not give proper notice/filling of change of ownership.

19 L. The Department's further review of Parrado's Application revealed that on or about
20 December 5, 2018, the CDSS filed an accusation against Parrado in, *The matter of Dodjie LLC dba*
21 *Santa Monica Pavilion 12001 Santa Monica Blvd. Los Angeles, CA 90025, Raul Parrado,* Case
22 No. 6218362301 (CDSS Accusation) seeking to:

23 (i) revoke the residential care facility for the elderly license issued to Dodjie LLC,
24 a California limited liability company owned or controlled by Parrado;

25 (ii) prohibit Parrado for the remainder of his life from being a licensee, owning a
26 beneficial ownership interest of 10 percent or more in a licensed facility, or being an administrator,
27 officer, director, member, or a manager of a licensee or entity controlling a licensee, and further
28 from employment in, presence in, and from contact with clients of, any facility licensed by the
Department or certified by a licensed foster family agency, or any resource family home;" and

(iii) revoke or deem forfeited Parrado's administrator certificate for residential
care facilities for the elderly.

M. The CDSS Accusation alleged that Dodjie LLC was licensed to operate a residential
care facility for the elderly at 12001 Santa Monica Boulevard, Los Angeles, California 90025
(Facility). The CDSS Accusation further alleged that "Parrado is employed by/was employed

1 by/sought employment with/sought to volunteer with/resides in the facility of or has contact with the
2 clients of the residential care facility for the elderly.... And Parrado was certified on January 10,
3 2006 to be a residential care facility for the elderly administrator.”

4 N. The CDSS Accusation stated that on or about November 8, 2018, Parrado abandoned
5 the Facility and residents in his care “resulting in an immediate and substantial threat to the health
6 and safety of the abandoned residents in violation of the Health and Safety Code section 1590(d).”

7 O. The CDSS Accusation further alleged that Parrado engaged in “conduct that is
8 inimical to the health, morals, welfare, or safety of either an individual in or receiving services from
9 the facility, or the people of the State of California...,” and as such, “has demonstrated a lack of
10 knowledge of and ability to confirm to the applicable laws, rules and regulations and ... has failed to
11 demonstrate good character and a continuing reputation of personal integrity as required of an
12 administrator.”

13 P. Parrado filed a Notice of Defense on or about December 14, 2019, requesting a
14 hearing on the CDSS Accusation but subsequently withdrew his Notice of Defense thereby waiving
15 his right to contest the merits of the CDSS Accusation.

16 Q. On April 5, 2019, the CDSS entered a “Decision and Order” (Decision) finding that
17 the factual allegations which are set forth in the CDSS Accusation constitute violations of Health
18 and Safety Code sections 1569.17, 1569.50, 1569.58, 1569.50 (c), 1569.58(a)(2), 1569.616(h)(2),
19 and California Code of Regulations, title 22, sections 87405(d)(2) and (5), 87408(a)(3) and 6,
20 87409(a)(2). The Decision ordered that Dodjie LLC’s license to operate a residential care facility
21 for the elderly located at 12001 Santa Monica Boulevard, Los Angeles, California 90025 be revoked,
22 and that Parrado be “prohibited from employment in... and contact with clients of any facility
23 licensed by the facility, or being an administrator, officer... of a licensee... or any resource family
24 home.” The Decision further ordered that “Parrado’s administrator certificate for residential care
25 facilities for the elderly be revoked or deemed forfeited.”

26 R. On or around December 7, 2018, the plaintiffs in *DF & RW* filed a complaint for
27 breach of contract against Parrado and an entity owned or controlled by Parrado – Seville Circle, Inc.
28

1 dba Le Bleu Chateau Plaza 1, Le Bleu Chateau Santa Monica Pavilion, Santa Monica Pavilion Plaza,
2 and Dodjie, LLC dba Santa Monica Pavilion, and Santa Monica Pavilion Plaza (Complaint).

3 S. The Complaint alleged that on or about August 1, 2007, Parrado and his entities
4 entered into an agreement with the plaintiff in which plaintiff agreed to “sell and provide to
5 Defendant Seville... certain goods consisting of food and food supplies, and Defendants agreed to
6 pay for said goods at Plaintiff’s standard rates from time to time....”

7 T. The Complaint further alleged that plaintiff performed all terms and conditions and
8 promises required on its part to be performed under the terms of the agreement, however the
9 defendant Parrado, for over four years, failed and refused to pay plaintiff the agreed upon charges for
10 the goods sold and delivered to defendant despite repeated request by plaintiff that payment be
11 made. The Complaint stated that “within the past four years... Defendants and each of them,
12 became indebted to Plaintiff on an open book account for money due in the net sum of \$140,169.25
13 with interests for goods sold and delivered by Plaintiff to Defendants Seville at the Le Bleu Facility,
14 at Defendants’ special instance and request, and for which Defendants agreed to pay said sum.”

15 U. On or about May 6, 2019, Los Angeles Superior Court Judge, Hon. Gregory Keosian,
16 entered a default monetary judgment Order in the amount of \$148,772.79 against Parrado
17 individually, and Seville Circle, Inc. dba Le Bleu Chateau, and \$62,186.91 against the Dodjie, LLC,
18 for a total judgment amount of \$210,959.70.

19 V. California Financial Code section 22109.1, subdivision (a), and section 50141 of the
20 CRMLA states that the Commissioner shall deny an application for a mortgage loan originator
21 license unless the commissioner makes, at a minimum, the finding that the applicant has
22 demonstrated such financial responsibility, character, and general fitness as to command the
23 confidence of the community and to warrant a determination that the mortgage loan originator will
24 operate honestly, fairly, and efficiently within the purposes of this division.

25 W. California Financial Code section 50513 of the CFL grants the Commissioner
26 discretion to deny, suspend, revoke, condition, or decline to renew a mortgage loan originator license
27 if an applicant or licensee fails at any time to meet the requirements of section 50141 or 50144, or
28

1 withholds information or makes a material misstatement in an application for a license or license
2 renewal.

3 X. Based on the information disclosed in Parrado’s Application, the Commissioner
4 determined that Parrado did not meet the minimum requirements to hold a MLO license under
5 Financial Code sections 50513, subdivision (a)(1)(2), and 50141, subdivision (a)(3) on the basis in
6 that he withheld information or made a material misstatement in his application by failing to disclose
7 the civil action that was filed against Parrado in the Los Angeles Superior Court, for breach of
8 contract which resulted in the entry of a default monetary judgment Order in the amount of
9 \$210,959.70 against Parrado.

10 Y. On July 16, 2020, the Commissioner issued a Statement of Issues in Support of
11 Notice of Intention to Issue Order Denying Application for a Mortgage Loan Originator License,
12 along with other supporting pleadings against Parrado seeking to deny Parrado’s Application.
13 (collectively, Enforcement Action).

14 Z. Parrado timely filed his Notice of Defense with the Commissioner on August 7, 2020
15 and this matter is currently set for a one-day hearing on January 11, 2021, at 9:00 a.m., before the
16 Office of Administrative Hearings, Los Angeles.

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

19 **II.**

20 **Terms and Conditions**

21 1. Purpose. The Settlement Agreement resolves the Enforcement Action before the
22 Commissioner described above in a manner that avoids the expense of a hearing and other possible
23 court proceedings, protects consumers, is in the public interest, and is consistent with the purposes
24 and provisions of the CFL.

25 2. Acknowledgment. Parrado acknowledges that the Commissioner issued and served
26 him with the Enforcement Action in which the Commissioner alleged Parrado did not meet the
27 minimum criteria to hold an MLO license under Financial Code sections 50513, subdivision
28 (a)(1)(2), and 50141, subdivision (a)(3), as set forth above.

1 3. Administrative Penalty. Parrado shall pay an administrative penalty to the
2 Commissioner in the amount of \$2,000.00, which shall be due and payable on the effective date of
3 this Settlement Agreement, as such date is defined in Paragraph 25. The administrative penalty must
4 be made payable in the form of a cashier’s check or Automated Clearing House deposit to the
5 Department of Business Oversight and transmitted to the attention of Accounting – Litigation, at the
6 Department of Business Oversight, 2101 Arena Boulevard, Sacramento, California 95834-2306.
7 Notice of the payment must be concurrently sent to Uche Enenwali, Senior Counsel, Department of
8 Business Oversight, 320 W. Fourth Street, Suite 750, Los Angeles, California 90013.

9 4. Revocation of License. Parrado agrees that for the 36-month period from the effective
10 date of the Settlement Agreement, should the Commissioner make a finding that Parrado has
11 violated or is violating any provision of the CFL, the California Residential Mortgage Lending Act
12 (CRMLA) (Fin. Code, § 50000 et seq.), or any rule, regulation, or law under the jurisdiction of the
13 Commissioner, the state of California, the United States of America, and every state and foreign
14 government (and political subdivision thereof), the Commissioner may, in his discretion,
15 automatically revoke any license held by or deny any pending application(s) of Parrado. Parrado
16 hereby waives any notice and hearing rights to contest such revocation or denial(s) which may have
17 been afforded him under the CFL, CRMLA, APA, CCP, or any other provision of law in connection
18 with this matter. Parrado further expressly waives any requirement for the filing of an accusation
19 under Government Code section 11415.60, subdivision (b), in connection with the Commissioner’s
20 revocation of his license under this paragraph.

21 5. Reporting Requirement. During the 36-month period from the effective date of the
22 Settlement Agreement, Parrado shall report to the Commissioner within 30 days any disciplinary
23 investigations or actions against him by any licensing agencies, any criminal investigations,
24 prosecutions, or convictions against Parrado, or any civil judgments against Parrado. Traffic
25 citations are excluded.

26 6. Continuing Education. Parrado agrees to annually take at least 16 hours of continuing
27 education offered by a NMLS approved vendor for the next 36 months and agrees to submit proof of
28 compliance to Uche Enenwali, Senior Counsel, Enforcement Division. The first report is due on

1 March 31, 2021. The second report is due on March 31, 2022. The third report is due on March 31,
2 2023. Should the reporting deadline fall on a Saturday, Sunday, or state holiday, the report must be
3 received by the Commissioner’s agent by the following business day.

4 7. Waiver of Hearing Rights. Parrado acknowledges that the Commissioner is ready,
5 willing and able to proceed with the administrative enforcement action described above in
6 Paragraphs A-Y, and Parrado hereby waives the right to a hearing, and to any reconsideration,
7 appeal, or other right to review which may be afforded pursuant to the CFL; the California
8 Administrative Procedure Act, the California Code of Civil Procedure, or any other provision of law;
9 and by waiving such rights, Parrado effectively consents to this Agreement becoming final.

10 8. Failure to Comply with Settlement Agreement. Parrado acknowledges and agrees that
11 if she fails to comply with the terms of this Settlement Agreement, the Commissioner may, in
12 addition to all other available remedies he may invoke under the CRMLA and CFLL, summarily
13 suspend/revoke the MLO licenses of Parrado until Parrado is in compliance. Parrado waives any
14 notice and hearing rights to contest such summary suspensions which may be afforded under the
15 CFL, the California Administrative Procedure Act, the California Code of Civil Procedure, or any
16 other provision of law in connection therewith.

17 9. Approval of MLO Application. The Commissioner hereby acknowledges that
18 Parrado’ MLO application is ready to be approved, and the Commissioner hereby agrees to approve
19 it concurrently with the execution of the Settlement Agreement.

20 10. Information Willfully Withheld or Misrepresented. The Settlement Agreement may
21 be revoked, and the Commissioner may pursue any and all remedies under the CFL against Parrado
22 if the Commissioner discovers that Parrado knowingly or willfully withheld information use for and
23 relied upon in the Settlement Agreement.

24 11. Future Actions by Commissioner. If Parrado fails to comply with any terms of the
25 Settlement Agreement, the Commissioner may institute proceedings for any and all violations
26 otherwise resolved under this Settlement Agreement. The Commissioner reserves the right to bring
27 any future actions against Parrado, or any of his partners, owners, officers, shareholders, directors,
28 employees or successors for any and all unknown violations of the CFL.

1 12. Assisting Other Agencies. The parties further acknowledge and agree that nothing in
2 the Settlement Agreement shall limit the Commissioner’s ability to assist any other agency (city,
3 county, state, or federal) with any prosecution, administrative, civil, or criminal, brought by any such
4 agency against Parrado or any other person based upon any of the activities alleged in this matter or
5 otherwise.

6 13. Headings. The headings to the paragraphs of this Settlement Agreement are inserted
7 for convenience only and will not be deemed a part hereof or affect the construction or interpretation
8 of the provisions hereof.

9 14. Binding. This Settlement Agreement is binding on all heirs, assigns, and/or
10 successors in interest.

11 15. Reliance: Each of the parties represents, warrants, and agrees that in executing this
12 Agreement s/he has relied solely on the statements set forth herein and the advice of his or her own
13 counsel. Each of the parties further represents, warrants, and agrees that in executing this Settlement
14 Agreement s/he has placed no reliance on any statement, representation, or promise of any other
15 party, or any other person or entity not expressly set forth herein, or upon the failure of any party or
16 any other person or entity to make any statement, representation or disclosure of anything
17 whatsoever. The parties have included this clause: (1) to preclude any claim that any party was in
18 any way fraudulently induced to execute this Agreement; and (2) to preclude the introduction of
19 parol evidence to vary, interpret, supplement, or contradict the terms of this Agreement.

20 16. Waiver, Amendments, and Modifications. No waiver, amendment, or modification of
21 this Settlement Agreement will be valid or binding unless it is in writing and signed by each of the
22 parties. The waiver of any provision of this Settlement Agreement will not be deemed a waiver of
23 any other provision. No waiver by either party of any breach of, or of compliance with, any
24 condition or provision of this Agreement by the other party will be considered a waiver of any other
25 condition or provision or of the same condition or provision at another time.

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

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

4 18. Governing Law. This Settlement Agreement will be governed by and construed in
5 accordance with California law. Each of the parties hereto consents to the jurisdiction of such court,
6 and hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient
7 forum to the maintenance of such action or proceeding in such court.

8 19. Counterparts. This Settlement Agreement may be executed in one or more separate
9 counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall
10 together constitute a single document.

11 20. Effect Upon Future Proceedings. If Respondent applies for any license, permit or
12 qualification under the Commissioner's current or future jurisdiction, or are the subject of any future
13 action by the Commissioner to enforce this Settlement Agreement, then the subject matter hereof
14 shall be admitted for the purpose of such application(s) or enforcement proceedings(s).

15 21. Voluntary Agreement. Parrado enters into this Settlement Agreement voluntarily and
16 without coercion and acknowledges that no promises, threats or assurances have been made by the
17 Commissioner or any officer, or agent thereof, about this Settlement Agreement. The parties each
18 represent and acknowledge that he, she or it is executing this Agreement completely voluntarily and
19 without any duress or undue influence of any kind from any source.

20 22. Notice. Any notices required under the Settlement Agreement shall be provided to
21 each party at the following addresses:

22 If to Respondent: Raul Dy Parrado
23 2970 W. Orange Ave., #7
24 Anaheim California 92804-3263

25 If to the Commissioner: Uche Enenwali, Senior Counsel
26 Department of Business Oversight
27 320 W. 4th Street, Suite 750
28 Los Angeles, California 90013-2344

23. Signatures. A fax or electronic mail signature shall be deemed the same as an original

1 signature.

2 24. Public Record. Parrado hereby acknowledges that this Settlement Agreement is and
3 will be a matter of public record.

4 25. Effective Date. This Settlement Agreement shall become final and effective when
5 signed by all parties and delivered by the Commissioner's agent via e-mail to Raul Parrado, at
6 rparrado@vandykmortgage.com.

7 26. Authority to Sign. Each signatory hereto covenants that he/she possesses all necessary
8 capacity and authority to sign and enter into this Settlement Agreement and undertake the
9 obligations set forth herein.

10 IN WITNESS WHEREOF, the parties hereto have approved and executed the Settlement
11 Agreement on the dates set forth opposite their respective signatures.

12 Dated: September 25, 2020

MANUEL P. ALVAREZ
Commissioner of Business Oversight

14
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By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

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21 Dated: September 25, 2020

By _____
RAUL DY PARRADO, an Individual
Respondent

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