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8 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
9 OF THE STATE OF CALIFORNIA

11 In the Matter of:) NMLS NO.: 1545642
12 THE COMMISSIONER OF FINANCIAL)
PROTECTION AND INNOVATION,) STIPULATION TO LICENSE SURRENDER
13)
14 Complainant,)
v.)
15 VICTOR HUGO FRANCO,)
16 Respondent.)
17)

18
19 This Stipulation is entered into between Respondent Victor Hugo Franco, also known as
20 Frank Hugo Anez (Franco) and Complainant, the Acting Commissioner of Financial Protection and
21 Innovation (Commissioner), and is made with respect to the following facts:

22 I.

23 **RECITALS**

24 A. The Commissioner is authorized to administer and enforce the provisions of the
25 California Financing Law (Fin. Code, § 22000 et seq.) (CFL) and the California Residential
26 Mortgage Lending Act (Fin. Code, § 50000 et seq.) (CRMLA), and the rules and regulations
27 promulgated thereunder.

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1 B. Franco is a mortgage loan originator (MLO) licensed by the Commissioner pursuant
2 to the CFL and the CRMLA. Franco has been licensed as an MLO in California since on or about
3 December 8, 2016.

4 C. On or about April 9, 2001, in the Superior Court of California, County of Orange,
5 Case No. AN01NM04944, Franco was charged with violating Section 484(a) of the Penal Code
6 (Petty theft). As a result of a plea bargain, on or about July 12, 2001, Franco was convicted of
7 violating Section 602(j) of the Penal Code (Trespass).

8 D. The California Department of Insurance (DOI) issued an Accusation to revoke
9 Franco’s fire and casualty broker-agent and life agent license as a result of Franco’s conviction for
10 Trespass and ultimately revoked this license on or about January 11, 2005.

11 E. On October 31, 2016, Franco submitted an MU4 License Form (MU4) to the
12 Department of Financial Protection and Innovation (Department) through NMLS to become licensed
13 as an MLO.¹ MU4 Regulatory Action Question (K)(5) asks the applicant: Has any State or federal
14 regulatory agency or foreign financial regulatory authority or self-regulatory organization (SRO)
15 ever revoked your registration or license? Franco responded “No” to this question and provided no
16 disclosure explanation regarding the DOI’s revocation of his fire and casualty broker-agent and life
17 agent license.

18 F. Although Franco has amended his MU4 several times since 2016, to date, he has
19 never answered this Regulatory Action Question (K)(5) in the affirmative while providing an
20 explanation of the DOI’s revocation of his fire and casualty broker-agent and life agent license.

21 G. The Commissioner finds that entering into this Stipulation is in the public interest and
22 consistent with the purposes fairly intended by the policy and provisions of the CFL and CRMLA.

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

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28 ¹ NMLS is a web-based platform for regulatory agencies to administer initial license applications and ongoing compliance requirements.

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II.

TERMS AND CONDITIONS

1. Purpose. This Stipulation resolves the issues before the Commissioner in a manner that avoids the expense of a hearing and other possible court proceedings, protects consumer, is in the public interest, and is consistent with the purposes and provisions of the CFL and CRMLA.

2. License Surrender. Franco hereby agrees, as a resolution to this matter, to voluntarily surrender his MLO license, which was issued by the Commissioner on or about December 8, 2016. No later than seven calendar days after the Effective Date of this Stipulation as defined in paragraph 21, Franco shall complete all necessary steps to surrender his MLO license to the Commissioner.

3. Waiver of Hearing Rights. Franco acknowledges that the Commissioner is ready, willing, and able to proceed with the filing of an administrative enforcement action on the findings contained in this Stipulation. Franco hereby waives the right to any hearing, and to any reconsideration, appeal, or other right to review which may be afforded pursuant to the CFL, the CRMLA, the California Administrative Procedure Act (APA) (Govt. Code, § 11370 et seq.), the California Code of Civil Procedure (CCP) (Code of Civ. Pro., § 1 et seq.), or any other provision of law. Franco further expressly waives any requirement for the filing of an Accusation pursuant to Government Code section 11415.60, subdivision (b). By waiving such rights, Franco effectively consents to this Stipulation becoming final.

4. Consideration. In consideration of the Commissioner’s consent to the license surrender, Franco agrees that he will not apply for a further MLO license through the Department for a period of one year from the Effective Date of this Stipulation.

5. Failure to Comply. Franco agrees that in the event he applies for a further MLO license with the Department prior to the expiration of the one-year period set forth herein, such application shall be deemed automatically denied. In connection with any such automatic denial, Franco hereby waives his right to any reconsideration, appeal or other rights which may be afforded under the CFL, the CRMLA, the APA, CCP, or any other provision of law in connection with these matters.

1 6. Full and Final Settlement. The parties further acknowledge that this Stipulation is
2 intended to constitute a full, final, and complete resolution of the matter set forth herein.

3 7. Independent Legal Advice. Each of the parties represents, warrants, and agrees that it
4 has received independent advice from their attorneys or representatives with respect to the
5 advisability of executing this Stipulation.

6 8. Future Actions by Commissioner. If Franco fails to comply with any terms of this
7 Stipulation, the Commissioner may institute proceedings for any and all violations otherwise
8 resolved under this Stipulation. The Commissioner reserves the right to bring any future actions
9 against Franco, for any and all unknown violations of the CFL or the CRMLA.

10 9. Assisting Other Agencies. Nothing in this Stipulation limits the Commissioner’s
11 ability to assist a government agency (whether city, county, state, or federal) with any
12 administrative, civil or criminal action brought by that agency against Franco or any other person
13 based upon any of the activities alleged in this matter or otherwise.

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

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

26 12. Waiver, Amendments, and Modifications. No waiver, amendment, or modification of
27 this Stipulation will be valid or binding unless it is in writing and signed by each of the parties. The
28 waiver of any provision of this Stipulation will not be deemed a waiver of any other provision. No

1 waiver by either party of any breach of, or of compliance with, any condition or provision of this
2 Stipulation by the other party will be considered a waiver of any other condition or provision or of
3 the same condition or provision at another time.

4 13. Full Integration. This Stipulation is the final written expression and the complete and
5 exclusive statement of all agreements, conditions, promises, representations, and covenants between
6 the parties with respect to the subject matter hereof, and supersedes all prior or contemporaneous
7 agreements, negotiations, representations, understandings, and discussions between and among the
8 parties, their respective representatives, and any other person or entity, with respect to the subject
9 matter covered by the Stipulation.

10 14. Governing Law. This Stipulation will be governed by and construed in accordance
11 with California law. Each of the parties hereto consents to the jurisdiction of such court, and hereby
12 irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to
13 the maintenance of such action or proceeding in such court.

14 15. Counterparts. The parties agree that this Stipulation may be executed in one or more
15 counterparts, each of which, when so executed shall be deemed an original. A facsimile or scanned
16 signature shall be deemed the same as an original signature. Such counterparts together constitute
17 one document.

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

23 17. Effect Upon Future Proceedings. If Franco applies for any license, permit or
24 qualification under the Commissioner's current or future jurisdiction, or is the subject of any future
25 action by the Commissioner to enforce this Stipulation, then the subject matter hereof shall be
26 admitted for the purpose of such application(s) or enforcement proceedings(s).

27 18. Notice. Any notices required under this Stipulation shall be provided to each party at
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If to Franco to: Victor Hugo Franco
211 South State College Boulevard, #332
Anaheim, California 92806
vfrancoa@msn.com

If to the Commissioner to: Taylor Steinbacher, Senior Counsel
Department of Financial Protection and Innovation
320 W. 4th Street, Suite 750
Los Angeles, California 90013-2344
Taylor.Steinbacher@dfpi.ca.gov

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

20. Public Record. Franco hereby acknowledges that this Stipulation is and will be a matter of public record.

21. Effective Date. This Stipulation shall become final and effective when signed by all parties and delivered by the Commissioner’s agent via e-mail to jaFranco@loandepot.com.

22. Authority to Sign. Each signatory hereto covenants that he/she possesses all necessary capacity and authority to sign and enter into this Stipulation and undertake the obligations set forth herein.

Dated: August 23, 2021

CHRISTOPHER S. SHULTZ
Acting Commissioner of Financial Protection and Innovation

By _____
MARY ANN SMITH
Deputy Commissioner

Dated: August 23, 2021

By _____
VICTOR HUGO FRANCO, an individual