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

12 In the Matter of:) NMLS ID: 1478055
13 THE COMMISSIONER OF FINANCIAL) STIPULATION TO ORDER REVOKING
14 PROTECTION AND INNOVATION,) MLO LICENSE
15 Complainant,)
16 v.)
17 ELISEO DELGADO, JR.,)
18 Respondent.)
19)
20)
21)

22 This Stipulation is entered into between Respondent Eliseo Delgado Jr. (Delgado) and
23 Complainant, the Acting Commissioner of Financial Protection and Innovation (Commissioner), and
24 is made with respect to the following facts:

25 **I.**
26 **Recitals**

27 A. The Commissioner is authorized to administer and enforce the provisions of the
28 California Financing Law (Fin. Code § 22000 et seq.) (CFL) and the California Residential

1 Mortgage Lending Act (Fin. Code § 50000 et seq.) (CRMLA), and the rules and regulations
2 promulgated thereunder.

3 B. Delgado is an individual whose last known business address is located at 8721 Sunset
4 Boulevard, Penthouse 10, West Hollywood, California 90069. Delgado does not currently have a
5 sponsorship with a California Residential Mortgage Lending Act (CRMLA) or California Financing
6 Law (CFL) licensee.

7 C. On May 27, 2016, Delgado applied for a mortgage loan originator (MLO) license by
8 submitting a Form MU4 (Application) through the Nationwide Mortgage Licensing System (NMLS)
9 to the Commissioner under Financial Code section 50140. The Commissioner approved Delgado’s
10 Application on July 29, 2016.

11 D. On or about January 30, 2019, a California resident filed a complaint with the
12 Commissioner alleging that Delgado was, through his Instagram, “soliciting business as an MLO
13 that is authorized to do business while having an approved-inactive status with the DFPI.” The
14 complaint was referred to Department of Real Estate (DRE) to take any further action deemed
15 appropriate.

16 E. On February 27, 2020, Delgado filed an amended MU4 through the NMLS
17 (Amended Application). Delgado responded “yes” to the following Financial and Criminal
18 disclosure questions on his Amended Application:

19 (A) (1) Have you filed a personal bankruptcy petition or been the subject of an
20 involuntary bankruptcy petition within the past 10 years?

21 (A) (3) Have you been the subject of a foreclosure action within the past 10
22 years?

23 (D) Do you have any unsatisfied judgments or liens against you?

24 (F) (1) Have you ever been convicted of or pled guilty or nolo contendere ("no
25 contest") in a domestic, foreign, or military court to any felony?

26 F. In explaining his response to Financial Disclosure Question (A) (1), which asks
27 whether Delgado has filed a personal bankruptcy in the past 10 years, Delgado stated “Filed for
28 Bankruptcy back in 2010 but had it dismissed since I didn't complete the process.”

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1 G. In explaining his response to Financial Disclosure Question (A) (3), which asks
2 whether Delgado has been the subject of a foreclosure action within the past 10 years, Delgado
3 stated, “During bad economic times I had faced foreclosure issues on my home; however, I was
4 approved for a loan modification and was able to keep my home.”

5 H. In explaining his response to the Financial Disclosure Questions (D), which asks
6 whether Delgado has any unsatisfied judgment lien against him, Delgado stated,

7 [A] person filed a judgement on me personally for money that he
8 claims I owed him for a loan to my x-wife.... It was dismissed. I
9 was arrested for a matter that was a mistake. A client had filed with
10 the police department stating that I took their money for a loan
modification in advance which was not true. The D.A. rejected the
case and dismissed it.

11 I. In explaining his response to the Criminal Disclosure Question (F), which asks
12 whether Delgado has ever been convicted of or pled guilty or no contest to any felony, Delgado
13 stated:

14 Expunged -Bad Check- Arrest Date of 09/26/12 with Corona
15 Police Dept. is part of the same arrest for the bad check issue. Due
16 to my bond being exonerated, I was unaware that this happened
17 and I was re-arrested for the same issue.... This was already
18 expunged off my records ... In addition, arrest date 05/11/2013
19 Riverside Sherriff was again another re-arrest due to the expiration
20 of the bond for the same original arrest. No new crimes were
21 committed. This was already expunged off my records This all
22 started with original arrest date of 02/06/12, then re-arrested
23 09/26/12, and a third on 05/11/13. All for the same file, but the
police arrested me due to expired bonds and warrants being issued.
I hope this resolves the issue. I didn't hide or keep away this data
since the Felony Bad Check data I reported to you in May has all
the data on the report which applies to all 3 arrest dates you
brought up. Hope this resolves this issue. Thank you.

24 J. On January 27, 2021, the Commissioner received a letter from the DRE dated January
25 7, 2021, notifying the Commissioner of a felony conviction that was entered against Delgado for
26 making a fraudulent claim for unemployment benefits. Upon further investigation of the felony
27 conviction referenced in the DRE’s January 7, 2021 letter, the Commissioner observed that on or
28 about March 1, 2019, the U.S Attorney’s Office filed a criminal complaint against Delgado in the

1 Central District Court of California in the matter *USA v. Eliseo Delgado, Jr.*, Docket No. EDCR19-
2 00054-JG alleging one count of Making False or Fraudulent Claim Against the United States in
3 violation of 18 U.S.C. § 287 (Criminal Complaint).

4 K. According to a Judgment and Probation/Commitment Order filed November 15, 2019
5 (Order), on or about October 28, 2019, Delgado pled guilty as charged and was convicted of Making
6 False or Fraudulent Claim Against the United States in violation of 18 U.S.C. § 287.

7 L. The Order directed Delgado to pay to the United States a special assessment of \$100
8 immediately and restitution totaling \$52,373.52 payable to the Department of the Treasury pursuant
9 to 18 U.S.C. § 3663A. The Order further directed as follows:

10 The Court finds from a consideration of the record that the
11 defendant's economic circumstances allow for restitution payments
12 pursuant to the following schedule: A partial payment of at least
13 \$10,000 shall be paid immediately. The balance of the restitution
14 shall be paid in monthly installments of at least \$10,000 during the
15 term of probation. These payments shall begin 30 days after the
16 commencement of supervision.

17 Pursuant to 18 U.S.C. § 3612(f)(3)(A), interest on the restitution
18 ordered is waived because the defendant does not have the ability
19 to pay interest. Payments may be subject to penalties for default
20 and delinquency pursuant to 18 U.S.C. § 3612(g)....

21 It is ordered that the defendant shall pay to the United States a total
22 fine of \$5,500, which shall bear interest as provided by law.

23 The fine shall be paid in monthly installments of at least \$1,000
24 during the term of probation. These payments shall begin 30 days
25 after restitution is paid in full.

26 Pursuant to 18 U.S.C. § 3612(f)(3)(A), interest on the fine is
27 waived as it is found that the defendant does not have the ability to
28 pay interest. Payments may be subject to penalties for default and
delinquency pursuant to 18 U.S.C. § 3612(g).

Pursuant to the Sentencing Reform Act of 1984, it is the judgment
of the Court that the defendant, Eliseo Delgado, is hereby placed
on probation on Count 1 of the Information for a term of three
years under the following terms and conditions:

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- (1) The defendant shall comply with the rules and regulations of the United States Probation & Pretrial Services Office and General Order 18-10, including the conditions of probation and supervised release set forth in Section III of General Order 18-10.
- (2) The defendant shall refrain from any unlawful use of a controlled substance. The defendant shall submit to one drug test within 15 days of placement on probation and at least two periodic drug tests thereafter, not to exceed eight tests per month, as directed by the Probation Officer.
- (3) During the period of community supervision, the defendant shall pay the special assessment, fine, and restitution in accordance with this judgment's orders pertaining to such payment.
- (4) The defendant shall cooperate in the collection of a DNA sample from the defendant.
- (5) The defendant shall participate for a period of five months in a home detention program which may include electronic monitoring, GPS, Alcohol Monitoring Unit or automated identification system and shall observe all rules of such program, as directed by the Probation Officer. The defendant shall maintain a residential telephone line without devices and/or services that may interrupt operation of the monitoring equipment.
- (6) The defendant shall truthfully and timely file and pay taxes owed for the years of conviction, and shall truthfully and timely file and pay taxes during the period of community supervision. Further, the defendant shall show proof to the Probation Officer of compliance with this order.
- (7) The defendant shall apply all monies received from income tax refunds to the outstanding Court-ordered financial obligation. In addition, the defendant shall apply all monies received from lottery winnings, inheritance, judgments and any anticipated or unexpected financial gains to the outstanding Court-ordered financial obligation.

M. A review of Delgado’s Amended Application showed Delgado did not disclose the Criminal Complaint or Order in his Amended Application neither did he upload any documentation

1 concerning the Criminal Complaint or Order in NMLS. Delgado’s Amended Application referenced
2 his bankruptcy filing and a prior felony conviction entered against Delgado in about September
3 2012, for offenses including, issuing a fictitious check; non-sufficient fund checks; and obtaining
4 money by false pretenses.

5 N. A license item was placed in NMLS instructing Delgado to upload and update his
6 Amended Application to include the Criminal Complaint and Order. To date, Delgado has not
7 updated his Amended Application or disclosed the Criminal Complaint and Order.

8 O. On or about May 28, 2021, Delgado submitted a request to surrender his MLO license
9 through NMLS.

10 P. Financial Code section 22172 subsection (a) authorizes the Commissioner to revoke a
11 mortgage loan originator license for a violation of this division, or any rules or regulations adopted
12 thereunder. Similarly, Financial Code section 22172 subsection (2) provides that the Commissioner
13 may revoke a mortgage loan originator license if an applicant or licensee fails at any time to meet the
14 requirements of Section 22109.1 or 22109.4, or withholds information or makes a material
15 misstatement in an application for a license or license renewal.

16 Q. Financial Code section 22109.1 states that the Commissioner shall deny an
17 application for a mortgage loan originator license unless the Commissioner finds, at a minimum, that
18 “the applicant has not been convicted of, or pled guilty or nolo contendere to, a felony in a domestic,
19 foreign, or military court during the seven-year period preceding the date of the application for
20 licensing and registration, or at any time preceding the date of application, if the felony involved an
21 act of fraud, dishonesty, or a breach of trust, or money laundering....”

22 R. The Commissioner finds that the Criminal Complaint and Order entered against
23 Delgado are material information Delgado was required to disclose in his Amended Application in
24 response to Criminal Disclosure Question F. Delgado falsely answered Criminal Disclosure
25 Question F or misrepresented facts by failing to disclose the Criminal Complaint or Order in
26 violation of Financial Code section 22172 subdivisions (a) and (2).

27 S. The Commissioner further finds that Delgado fails to meet the requirements of
28 Section 22109.1 in that Delgado has been convicted of, or pled guilty or nolo contendere to, a felony

1 in a domestic court during the seven-year period preceding the date of his Amended Application and
2 the felony involved an act of fraud or dishonesty.

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

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

7 **II.**

8 **Terms and Conditions**

9 1. Purpose. It is the intention and desire of the parties to resolve this matter without the
10 necessity of a hearing or other litigation for the purpose of judicial economy and expediency, and to
11 avoid the expense of a hearing, and possible further court proceedings.

12 2. Order Revoking MLO License. Delgado hereby stipulates, as a resolution to this
13 matter, to an order of revocation of his MLO license. It is hereby Ordered that the mortgage loan
14 originator license issued by the Commissioner to Eliseo Delgado, Jr., on July 29, 2016, is revoked.
15 This Order is effective as of the Effective Date of this Stipulation as defined in paragraph 14.

16 3. Waiver of Hearing Rights. Delgado agrees that he will not apply for a further MLO
17 license through the Department until he has obtained expungement of his felony conviction of
18 Making False or Fraudulent Claim Against the United States in violation of 18 U.S.C. § 287.
19 Delgado further agrees that in the event he applies for a further MLO license with the Department
20 prior to expungement of his felony conviction of Making False or Fraudulent Claim Against the
21 United States in violation of 18 U.S.C. § 287, such application shall be deemed automatically
22 denied. In connection with any such automatic denial, Delgado hereby waives his right to any
23 reconsideration, appeal or other rights which may be afforded under the CFL, the CRMLA, the
24 Administrative Procedure Act (APA) (Govt. Code, § 11370 et seq.), the Code of Civil Procedure
25 (Code of Civ. Pro., § 1 et seq.), or any other provision of law in connection with these matters.

26 4. Stipulation Coverage. The parties further acknowledge that this Stipulation is
27 intended to constitute a full, final, and complete resolution of the matter set forth herein.

28 5. Independent Legal Advice. Each of the parties represents, warrants, and agrees that it

1 has received independent advice from their attorneys or representatives with respect to the
2 advisability of executing this Stipulation.

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

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

18 8. No Presumption from Drafting. In that the parties have had the opportunity to draft,
19 review and edit the language of this Stipulation, no presumption for or against any party arising out
20 of drafting all or any part of this Stipulation will be applied in any action relating to, connected, to,
21 or involving this Stipulation. Accordingly, the parties waive the benefit of Civil Code section 1654
22 and any successor or amended statute, providing that in cases of uncertainty, language of a contract
23 should be interpreted most strongly against the party who caused the uncertainty to exist.

24 9. Headings and Governing Law. The headings to the paragraphs of this Stipulation are
25 inserted for convenience only and will not be deemed a part hereof or affect the construction or
26 interpretation of the provisions of the Stipulation.

27 10. Voluntary Agreement. Delgado enters into this Stipulation voluntarily and without
28 coercion and acknowledges that no promises, threats, or assurances have been made by the

1 Commissioner or any officer, or agent thereof, about this Stipulation.

2 11. Waiver. The waiver of any provision of this Stipulation shall not operate to waive
3 any other provision set forth herein, and any waiver, amendment, or change to the terms of this
4 Stipulation must be in writing and signed by the parties.

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

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

12 14. Effective Date. This Stipulation shall become effective when signed and delivered
13 by the Commissioner’s agent via e-mail to Delgado at edjmav@gmail.com.

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

16 If to Respondent: Eliseo Delgado Jr.
17 8721 Sunset Boulevard, Penthouse 10
18 West Hollywood, California 90069

19 If to the Commissioner: Uche Enenwali, Senior Counsel
20 Department of Department of Financial
21 Protection and Innovation
22 320 W. 4th Street, Suite 750
23 Los Angeles, California 90013-2344

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

Dated: September 28, 2021

CHRISTOPHER S. SHULTZ
Acting Commissioner of Financial Protection and
Innovation

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

Dated: September 24, 2021

By _____
ELISEO DELGADO, JR., an Individual
Respondent

