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Deputy Commissioner  
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11 Attorneys for Complainant

12  
13 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION  
14 OF THE STATE OF CALIFORNIA

15 In the Matter of: )  
16 THE COMMISSIONER OF FINANCIAL ) NMLS LICENSE NO.: 1621941  
17 PROTECTION AND INNOVATION, ) SETTLEMENT AGREEMENT  
18 Complainant, )  
19 v. )  
20 SHELBY LYNN GOMEZ, )  
21 Respondent. )  
22 )  
23 )

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25  
26 This Settlement Agreement (the Settlement Agreement) is entered into between the  
27 Commissioner of Financial Protection and Innovation (Commissioner) and Shelby Lynne Gomez  
28 (Respondent), and is made with respect to the following facts.

**I.**

**Recitals**

A. The Commissioner has jurisdiction over the licensing and regulation of persons engaged in the business of making, servicing, or brokering residential mortgage loans, including mortgage loan originators (MLO or MLOs), under the California Financing Law (CFL) (Fin. Code, § 22000 et seq.) and the California Residential Mortgage Lending Act (CRMLA) (Fin. Code, § 50000 et seq.).

B. Respondent first received an MLO license from the Commissioner on December 24, 2018.

C. The Commissioner issued Respondent her notice of intention and accusation to revoke Respondent's MLO license on April 18, 2022, throughout which time Respondent maintained an approved-inactive MLO license.

D. Under the provisions of Financial Code sections 22109.1, 22172, and 22755 of the CFL, the Commissioner sought to revoke Respondent's MLO license because Respondent violated the Nationwide Mortgage Licensing System and Registry (NMLS) student Rules of Conduct (ROC) by using the services of Danny Yen, d/b/a Real Estate Educational Services (Yen) to complete Respondent's NMLS-approved continuing education (CE) courses, which in turn was a violation of the MLO licensing requirements under the CFL.

E. Specifically, Respondent used and compensated Yen to obtain course credit through an in-person education fraud scheme (education fraud scheme). Under the education fraud scheme, Respondent paid Yen to report completion of an in-person course for the year 2020. Yen did not teach the in-person course and Respondent never attended the in-person course nor completed the course work or test, which Respondent was required to complete in order to receive course credit.

F. The Commissioner has made the following findings of relevant facts, which include but are not limited to:

1. That Respondent was a knowing and active participant in the education fraud scheme coordinated by and implemented by and through Yen;

2. That Respondent in fact had CE requirements completed by Yen on

1 Respondent’s behalf in violation of the CFL and federal law;

2 3. That by participating in the education fraud scheme coordinated by and  
3 implemented through Yen, Respondent had in fact violated the ROC; and

4 4. That by participating in the education fraud scheme coordinated by and  
5 implemented through Yen, Respondent violated the CFL and federal law concerning completing  
6 certain CE requirements as a mandatory qualification for licensure as an MLO.

7 G. Respondent enters into this Agreement solely for the purpose of resolving disputes  
8 with the Commissioner, including concerning the conduct described in this Agreement, and does not  
9 admit to or deny any wrongdoing, allegations or implications of fact and does not admit to or deny  
10 any violations of applicable laws, regulations and/or rules governing the conduct described herein.

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

13 **II.**

14 **Terms**

15 1. Purpose. The Settlement Agreement resolves the issues before the Commissioner  
16 described above in the Recitals in a manner that avoids the expense of a hearing and other possible  
17 court proceedings, protects consumers, is in the public interest, and is consistent with the purposes  
18 and provisions of the CFL.

19 2. Acknowledgment. Respondent acknowledges that the Commissioner issued and  
20 served Respondent with the Accusation in which the Commissioner determined that Respondent had  
21 violated the CFL and that Respondent did not meet the minimum criteria to hold an MLO license  
22 under Financial Code sections 22109.1, 22172, and 22755 and that Respondent’s license should be  
23 revoked as set forth above. Respondent enters into this Settlement Agreement solely for the purpose  
24 of resolving disputes with the Commissioner, including concerning the conduct described in this  
25 Settlement Agreement, and does not admit to or deny any wrongdoing, allegations or implications of  
26 fact and does not admit to or deny any violations of applicable laws, regulations and/or rules  
27 governing the conduct described herein.

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1           3.       Waiver of Hearing Rights. Respondent agrees that the Settlement Agreement shall  
2 have the effect of withdrawing Respondent's request for an administrative hearing on the matters set  
3 forth herein. Respondent acknowledges Respondent's right to an administrative hearing under the  
4 CFL in connection with the Accusation and hereby waives such right to a hearing and to any  
5 reconsideration, appeal, or other rights which may be afforded Respondent under the CFL, the  
6 Administrative Procedure Act (APA) (Gov. Code, § 11340 et seq.), the Code of Civil Procedure  
7 (CCP) (Code Civ. Proc., § 1 et seq.), or any provision of law in connection with this matter.

8           4.       Administrative Penalty. Respondent shall pay to the Commissioner an administrative  
9 penalty of \$1,000.00 (the Penalty). The Penalty shall be due prior to or concurrent with the execution  
10 of the Settlement Agreement and should be made payable to the Commissioner in the form of a  
11 cashier's check or Automated Clearing House deposit and transmitted to the attention of Accounting  
12 – Enforcement Division, Department of Financial Protection & Innovation, 2101 Arena Boulevard,  
13 Sacramento, California 95834. Notice of such payment shall promptly be sent to the attention of  
14 Allard Chu, Senior Counsel, at allard.chu@dfpi.ca.gov. Should Respondent fail to execute the  
15 Settlement Agreement by September 16, 2022, but execute the agreement after September 16, 2022,  
16 the Penalty shall increase to \$3,000.00 and shall be due prior to or concurrent with the execution of  
17 the Settlement Agreement.

18           5.       Surrender of License. Respondent hereby agrees, as a resolution of this matter, to  
19 voluntarily surrender Respondent's MLO license to the Commissioner. No later than seven calendar  
20 days after the Effective Date of the Settlement Agreement, Respondent shall complete all necessary  
21 steps to surrender Respondent's MLO license to the Commissioner.

22           6.       Stipulation Not to Apply for an MLO License for Six Months. Respondent further  
23 agrees, as a resolution of this matter, that Respondent will not apply for a new MLO license from  
24 the Commissioner for a period of six months from the Effective Date of this Agreement. Should  
25 Respondent apply for such a license during that six-month period, that license application, as  
26 consented to by Respondent herein, shall be deemed denied and Respondent waives any hearing  
27 rights Respondent may have to contest such denial under the CFL, CRMLA, APA, CCP, or any  
28 other provision of law in connection with this matter.

1           7.     Education. Prior to the submission of an application for a new MLO license,  
2 Respondent must complete the following MLO education requirements (the education provision):

3           a.     Twenty hours of non-state-specific NMLS-approved PE, which shall consist  
4 of 14 hours of federal law curriculum, three hours of ethics curriculum, and three hours of non-  
5 traditional mortgage lending curriculum. None of these 20 hours of PE may be state-specific  
6 curriculum; and

7           b.     Eight hours of non-state-specific NMLS-approved CE, which shall consist of  
8 four hours of federal law curriculum, two hours of ethics curriculum, and two hours of non-  
9 traditional mortgage lending curriculum. None of these eight hours of CE may be state-specific  
10 curriculum.

11          c.     Respondent may not take any of the PE or CE provided for under the  
12 Settlement Agreement in an online self-study format (OSS).

13          d.     Respondent further agrees that in order to receive the course credit under the  
14 Settlement Agreement, Respondent must complete the courses in one of a traditional classroom  
15 format; classroom equivalent (live webinar) format; or an online instructor-led format. The formats  
16 require that the instructor be able to see the Respondent, verify the Respondent's identity, and  
17 confirm that the Respondent is present throughout the entirety of the course.

18          e.     For a period three years from the Effective Date of the Settlement  
19 Agreement, Respondent shall be required to complete any additional required PE and/or CE in a  
20 format other than OSS.

21          f.     Should Respondent apply for a new MLO license without having satisfied the  
22 education provision as set forth in this paragraph, that license application, as consented to by  
23 Respondent herein, shall be deemed denied and Respondent waives any hearing rights Respondent  
24 may have to contest such denial under the CFL, CRMLA, APA, CCP, or any other provision of law  
25 in connection with this matter.

26           8.     New Application for Licensure. Any time after the six-month period has lapsed from  
27 the Effective Date of the Settlement Agreement; Respondent has paid the Penalty as set forth in the  
28 Settlement Agreement; and satisfied the education provision as set forth in the Settlement

1 Agreement, Respondent may apply for a new MLO license with the understanding that the  
2 Commissioner reserves the right to fully investigate such application for licensure and may either  
3 approve or deny such application pursuant to the normal process for such licensing investigations.  
4 No license application described in this paragraph will be denied solely based on the facts,  
5 circumstances, or consensual resolution provided for in the Settlement Agreement. Respondent  
6 further acknowledges and agrees that Respondent must satisfy the education provision prior to  
7 submitting an application for a new MLO license.

8 9. Revocation of License. To the extent that Respondent engages in similar activity,  
9 which was the basis for the Settlement Agreement, Respondent affirmatively consents to the  
10 immediate revocation of the impacted MLO license. Respondent further agrees to waive  
11 Respondent' right to a hearing, and to any reconsideration, appeal, or other rights which may be  
12 afforded Respondent to contest such revocation of the impacted license under the CFL, CRMLA,  
13 APA, CCP, or any other provision of law, including the requirement that the Commissioner issue an  
14 accusation under Government Code section 11415.60.

15 10. Full and Final Settlement. The parties hereby acknowledge and agree that the  
16 Settlement Agreement is intended to constitute a full, final, and complete resolution of the activities  
17 alleged in the Accusation as identified herein. No further proceedings or actions will be brought by  
18 the Commissioner in connection with this matter, or any other provision of law, excepting any  
19 proceeding to enforce compliance with the terms of the Settlement Agreement.

20 11. Information Willfully Withheld. The Settlement Agreement may be revoked, and the  
21 Commissioner may pursue any and all remedies under the CFL against Respondent if the  
22 Commissioner discovers Respondent knowingly or willfully withheld information or  
23 misrepresented information used for and relied upon in this Settlement Agreement.

24 12. Assisting Other Agencies. The parties further acknowledge and agree that nothing in  
25 the Settlement Agreement shall limit the Commissioner's ability to assist any other agency (city,  
26 county, state, or federal) with any prosecution, administrative, civil, or criminal, brought by any  
27 such agency against Respondent or any other person based upon any of the activities alleged in this  
28 matter or otherwise.

1           13.    Binding. The Settlement Agreement is binding on all heirs, assigns, or successors in  
2 interest.

3           14.    Waiver, Amendments, and Modifications. The waiver of any provision of the  
4 Settlement Agreement shall not operate to waive any other provision set forth herein. No waiver,  
5 amendment, or modification of this Settlement Agreement shall be valid or binding unless it is in  
6 writing and signed by each of the parties.

7           15.    Headings and Governing Law. The headings to the paragraphs of the Settlement  
8 Agreement are inserted for convenience only and will not be deemed a part hereof or affect the  
9 construction or interpretation of the provisions hereof. The Settlement Agreement shall be construed  
10 and enforced in accordance with and governed by California law.

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

17          17.    No Presumption Against Drafter. Each party acknowledges that he or she has had the  
18 opportunity to draft, review, and edit the language of the Settlement Agreement. Accordingly, the  
19 parties intend no presumption for or against the drafting party will apply in construing any part of  
20 the Settlement Agreement. The parties waive the benefit of Civil Code section 1654 as amended or  
21 corresponding provisions of any successor statute, which provide that in cases of uncertainty,  
22 language of a contract should be interpreted most strongly against the party who caused the  
23 uncertainty to exist.

24          18.    Mandatory Disclosure in Future Applications. Respondent agrees to disclose the  
25 Settlement Agreement in any application for a license, permit, or qualification under the  
26 Commissioner's current or future jurisdiction.

27          19.    Voluntary Agreement. Respondent enters into the Settlement Agreement voluntarily  
28 and without coercion and acknowledges that no promises, threats, or assurances have been made by

1 the Commissioner, or any officer or agent thereof, about the Settlement Agreement.

2 20. Notice. Any notice required under the Settlement Agreement shall be provided to each  
3 party at the following addresses:

4 Respondent: Shelbie Lynne Gomez  
5 5880 Lochmoor Drive #46  
6 Riverside, California 92507  
shelbie.gomez@movement.com

7 Commissioner: Allard C Chu  
8 Senior Counsel  
9 Department of Financial Protection and Innovation  
10 320 W. 4th Street, Suite 750  
Los Angeles, California 90013  
allard.chu@dfpi.ca.gov

11 21. Authority to Execute. Each signatory hereto covenants that he or she possesses all  
12 necessary capacity and authority to sign and enter into the Settlement Agreement.

13 22. Signatures. A facsimile or electronic mail signature shall be deemed the same as an  
14 original signature.

15 23. Public Record. Respondent hereby acknowledges that the Settlement Agreement is  
16 and will be a matter of public record.

17 24. Effective Date. The Settlement Agreement shall become final and effective when  
18 signed by all parties and delivered by the Commissioner’s agent via e-mail to Respondent at the  
19 following email address: shelbie.gomez@movement.com

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

22 CLOTHILDE V. HEWLETT  
23 Commissioner of Financial Protection and  
24 Innovation

25 Dated: September 15, 2022

26 By \_\_\_\_\_  
27 MARY ANN SMITH  
28 Deputy Commissioner  
Enforcement Division



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SHELBY LYNNE GOMEZ

Dated: September 14, 2022

By \_\_\_\_\_  
SHELBY LYNNE GOMEZ, Respondent

Approved as to Form and Content

By \_\_\_\_\_  
Adeline Tungate, Esq.  
Geraci Law Firm  
Attorneys on behalf of  
Shelby Lynne Gomez