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10 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
11 OF THE STATE OF CALIFORNIA
12

13 In the Matter of:) NMLS NO.: 7664
14 THE COMMISSIONER OF FINANCIAL)
15 PROTECTION AND INNOVATION,) STIPULATION TO LICENSE SURRENDER
16 Complainant,)
17 v.)
18 JOE LAM, also known as CHAU NGOC)
LAM,)
19 Respondent.)

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22 This Stipulation is entered into between Respondent Joe Lam, also known as Chau Ngoc
23 Lam (Lam) and Complainant, the Commissioner of Financial Protection and Innovation
24 (Commissioner), and 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. In or about 2008, Lam submitted an initial mortgage loan originator (MLO) license
4 application to the Department of Financial Protection and Innovation (DFPI), by filing a Form MU4
5 through the Nationwide Mortgage Licensing System (NMLS). The Commissioner approved Lam’s
6 MLO license application in July of 2010.

7 C. All MLO licensees are required to promptly update their responses when material
8 changes occur by submitting an amended Form MU4 through the NMLS.

9 D. The NMLS contains a detailed set of instructions for filing license renewal
10 applications and amendments, including answering the Disclosure Questions, changing answers to
11 the Disclosure Questions, and a checklist of items to be completed and uploaded by licensees, who
12 are fully responsible for meeting all the requirements of the license.

13 E. In 2021, the DFPI discovered that the California Department of Real Estate (DRE)
14 revoked Lam’s real estate broker license on September 12, 2016. Lam failed to update his response
15 to the disclosure questions and submit an amended MU4 to disclose the DRE revocation action.

16 F. Lam’s real estate broker license was revoked for failing to disclose adverse actions by
17 other state jurisdictions, including, but not limited to adverse actions by the Department of Financial
18 Institutions for the State of Washington in 2013, the Department of Banking & Finance for the State
19 of Nebraska in 2011, and the Department of Financial Institutions for the State of Tennessee in 2011.

20 G. Since July of 2010, Lam submitted dozens of MU4s through the NMLS, but he failed
21 to promptly disclose the above adverse actions. Lam amended his MU4 and disclosed the adverse
22 actions *only after* being prompted to do so by the DFPI, and after a license item was placed on his
23 license record directing him to fully disclose the adverse actions.

24 H. Lam also has unpaid tax liens.

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

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

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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 consumers, is in the public interest, and is consistent with the purposes and provisions of the CFL and CRMLA.

2. **License Surrender.** Lam hereby agrees, as a resolution to this matter, to voluntarily surrender his MLO license, which was issued by the Commissioner in July of 2010. No later than seven calendar days after the Effective Date of this Stipulation as defined in paragraph 22, Lam shall complete all necessary steps to surrender his MLO license to the Commissioner.

3. **Waiver of Hearing Rights.** Lam 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. Lam 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. Lam further expressly waives any requirement for the filing of an Accusation pursuant to Government Code section 11415.60, subdivision (b). By waiving such rights, Lam effectively consents to this Stipulation becoming final.

4. **Consideration.** In consideration of the Commissioner’s consent to the license surrender, Lam agrees that he will not apply for a further MLO license through the DFPI for a period of eighteen months from the Effective Date of this Stipulation.

5. **Failure to Comply.** Lam agrees that in the event he applies for a further MLO license with the DFPI prior to the expiration of the eighteen-month period set forth herein, such application shall be deemed automatically denied. In connection with any such automatic denial, Lam 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.

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

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

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

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

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

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

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

1 the same condition or provision at another time.

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

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

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

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

21 17. Mandatory Disclosure in Future Applications. Lam agrees to disclose this Stipulation
22 in any application for a license, permit or qualification under the Commissioner's current or future
23 jurisdiction.

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

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