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BEFORE THE DEPARTMENT OF CORPORATIONS

OF THE STATE OF CALIFORNIA

In the Matter of the Statement of Issues of THE CALIFORNIA CORPORATIONS COMMISSIONER, Complainant, vs. VICTOR MELGOZA GALLARDO, Respondent.	OAH Case No.: 2011010285 Agency Case No.: 326868 **SETTLEMENT AGREEMENT**

This Settlement Agreement is entered into between Victor Melgoza Gallardo ("Gallardo") and the California Corporations Commissioner ("Commissioner") and is made with respect to the following facts:

RECITALS

A. On or aboutAugust 11, 2010, Gallardo filed an application for a mortgage loan originator license with the Commissioner pursuant to the California Residential Mortgage Lending Act (California Financial Code § 50000 et. seq.), in particular, Financial Code section 50140. The application was for employment or working on behalf of International City Mortgage, Inc. as a mortgage loan originator, which has its principal place of business located at 333 S Anita, Ste. 300,

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Orange, California 92868. Gallardo submitted his application to the Commissioner by filing Form MU4 through the Nationwide Mortgage Licensing System ("NMLS").

B. Form MU4 at Question 8. (D)(1) specifically asked: "Have you ever been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to any felony?" Respondent answered "no." Respondent signed the Form MU4 swearing that the answers were true and complete to the best of Respondent's knowledge. However, during the application process, the Department discovered that on October 10, 1995, Gallardo pled guilty to one count unlawful taking of a vehicle in violation of Vehicle Code section 10851, subdivision (a), a felony and one count receiving stolen property in violation of Penal Code section 496, subdivision (a), a felony.

C. Financial Code section 50141 provides in relevant part:

> The commissioner shall not issue a mortgage loan originator license unless the commissioner makes at a minimum the following findings:
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> . . .
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> (b) The applicant has not been convicted of, or pled guilty or nolo contendere to, a felony in a domestic, foreign, or military court during the seven-year period preceding the date of the application for licensing and registration, or at any time preceding the date of application, if such felony involved an act of fraud, dishonesty, a breach of trust, or money laundering. . . .
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> (c) The applicant has demonstrated such financial responsibility, character, and general fitness as to command the confidence of the community and to warrant a determination that the mortgage loan originator will operate honestly, fairly, and efficiently within the purposes of this division. . . .

D. Based on the foregoing, the Commissioner determined not to issue a mortgage loan originator license to Gallardo pursuant to Financial Code section 50141 in that Gallardo pled guilty to a felony involving an act of fraud, dishonesty, or a breach of trust.

E. On January 5, 2011, the Commissioner issued a Statement of Issues in Support of Non-Issuance of Mortgage Loan Originator License. Subsequently, Gallardo requested an

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opportunity to be heard, and thus a hearing was held on August 11, 2011. The Commissioner has not yet adopted the proposed decision.

F. It is the intention and desire of the parties to resolve this matter before the Commissioner issues a decision.

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

TERMS AND CONDITIONS

1. Gallardo hereby agrees to withdraw his application for a mortgage loan originator license on or before February 8, 2012, by filing with the Commissioner a signed letter stating that he hereby withdraws his mortgage loan originator license application and thereafter, filing a withdrawal request through NMLS.

2. Upon receipt of Gallardo's request to withdraw his application for a mortgage loan originator license, the Commissioner agrees to immediately withdraw his decision to not issue a mortgage loan originator license to Gallardo and to dismiss the instant litigation without adopting a decision on the hearing.

3. Nothing in this Agreement shall affect the right of Gallardo to apply for another mortgage loan originator license.

4. Nothing in this Agreement shall affect the right of the Commissioner, in the future, to deny Gallardo a mortgage loan originator license on any grounds permitted by law.

5. Each of the parties represents, warrants, and agrees that it has received independent advice from its attorney(s) and/or representatives with respect to the advisability of executing this Settlement Agreement.

6. Each of the parties represents, warrants, and agrees that in executing this Settlement Agreement it has relied solely on the statements set forth herein and the advice of its own counsel and/or representative. Each of the parties further represents, warrants, and agrees that in executing this Settlement Agreement it has placed no reliance on any statement, representation, or promise of any other party, or any other person or entity not expressly set forth herein, or upon the failure of any

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party or any other person or entity to make any statement, representation or disclosure of anything whatsoever. The parties have included this clause: (1) to preclude any claim that any party was in any way fraudulently induced to execute this Settlement Agreement; and (2) to preclude the introduction of parol evidence to vary, interpret, supplement, or contradict the terms of this Settlement Agreement.

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

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

9. This Settlement Agreement shall not become effective until signed by all parties and delivered by all parties.

10. This Settlement Agreement may be executed in one or more counterparts, each of which shall be an original but all of which, together, shall be deemed to constitute a single document. This Settlement Agreement may be executed by facsimile signature, and any such facsimile signature by any party hereto shall be deemed to be an original signature and shall be binding on such party to the same extent as if such facsimile signature were an original signature.

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11. Each signatory hereto covenants that he/she possesses all necessary capacity and authority to sign and enter into this Settlement Agreement.

DATED: February _2_, 2012

JAN LYNN OWEN
California Corporations Commissioner

By _____
ALAN S. WEINGER
Deputy Commissioner

DATED: February _2_, 2012

By _____ _____
VICTOR MELGOZA GALLARDO
An individual

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