

1 PRESTON DUFAUCHARD  
California Corporations Commissioner  
2 ALAN S. WEINGER  
Acting Deputy Commissioner  
3 JOHNNY VUONG (CA BAR NO. 249570)  
Corporations Counsel  
4 Department of Corporations  
320 West 4<sup>th</sup> Street, Ste. 750  
5 Los Angeles, California 90013-2344  
Telephone: (213) 576-7585 Fax: (213) 576-7181

6 Attorneys for Complainant

8 BEFORE THE DEPARTMENT OF CORPORATIONS  
9 OF THE STATE OF CALIFORNIA

10  
11 In the Matter of the Accusation of THE ) Case No.: 603-D477  
CALIFORNIA CORPORATIONS )  
12 COMMISSIONER, )  
13 )  
Complainant, )  
14 ) SETTLEMENT AGREEMENT  
vs. )  
15 )  
16 A L G CAPITAL, INC. )  
17 Respondents. )  
18 )

19 This Settlement Agreement is entered into between A L G Capital, Inc. (“ALG”), on the one  
20 hand, and the California Corporations Commissioner (“Commissioner”), on the other hand, and is  
21 made with respect to the following facts:

22 **RECITALS**

23 A. ALG is a corporation in good standing, duly formed and existing pursuant to the laws  
24 of the State of California, and authorized to conduct business in the State of California.

25 B. Respondent A L G Capital, Inc. (“ALG”) is a broker licensed by the California  
26 Corporations Commissioner (“Commissioner”) pursuant to the California Finance Lenders Law of  
27 the State of California (California Financial Code § 22000 et seq.) (“CFLL”). ALG currently holds  
28 one broker license issued under the CFLL. The licensed location of ALG is at 15455 San Fernando

1 Mission Boulevard, Suite 307, Mission Hills, California 91345.

2 C. According to the records of the California Department of Corporations  
3 (“Department”), Crystal Palomino (“Palomino”) is the president, treasurer, secretary, and sole  
4 shareholder and director of ALG.

5 D. On April 18, 2008, ALG was served by the Commissioner through certified mail with  
6 a Notice of Intention to Issue Order Revoking Finance Lender and/or Broker License, Accusation  
7 and accompanying documents dated April 16, 2008. ALG has filed a Notice of Defense with the  
8 Commissioner on the above-referenced matter. On November 6, 2008, the Commissioner served an  
9 Amended Accusation upon ALG. A hearing has been scheduled for May 11, 12, and 13, 2009 in this  
10 matter.

11 E. It is the intention and desire of the parties to resolve this matter without the necessity  
12 of a hearing and/or other litigation.

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

15 **TERMS AND CONDITIONS**

16 1. This Settlement Agreement is entered into for the purpose of judicial economy and  
17 expediency, and to avoid the expense of a hearing, and possible further court proceedings.

18 2. ALG admits the allegations contained in paragraphs 1, 2, 3 and 22 of the Amended  
19 Accusation. The admissions of ALG and Palomino are solely for the limited purposes of these  
20 proceedings and any future proceeding(s) that may be initiated by or brought before the  
21 Commissioner against ALG and Palomino. It is the intent and understanding between the parties that  
22 this Settlement Agreement, and particularly the admissions of ALG and Palomino herein, shall not  
23 be binding or admissible against ALG and/or Palomino in any action(s) brought against ALG and/or  
24 Palomino by third parties.

25 3. ALG hereby agrees to the issuance by the Commissioner of an order revoking ALG’s  
26 broker license. The revocation shall be effective May 11, 2009. A copy of the revocation order is  
27 attached and incorporated as Exhibit A.

28 4. ALG acknowledges its right to an administrative hearing under Financial Code §  
22714 in connection with the revocation, and hereby waives its right to a hearing, and to any

1 reconsideration, appeal, or other rights which may be afforded pursuant to the California Finance  
2 Lenders Law, the California Administrative Procedure Act, the California Code of Civil Procedure,  
3 or any other provision of law in connection with these matters.

4         5.       The parties hereby acknowledge and agree that this Settlement Agreement is intended  
5 to constitute a full, final and complete resolution of this matter. The parties further acknowledge and  
6 agree that nothing contained in this Settlement Agreement shall operate to limit the Commissioner's  
7 ability to assist any other agency, (county, state or federal) with any prosecution, administrative,  
8 civil or criminal, brought by any such agency against ALG based upon any of the activities alleged  
9 in this matter or otherwise.

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

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

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

9.       In that the parties have had the opportunity to draft, review and edit the language of

1 this Settlement Agreement, no presumption for or against any party arising out of drafting all or any  
2 part of this Settlement Agreement will be applied in any action relating to, connected, to, or  
3 involving this Settlement Agreement. Accordingly, the parties waive the benefit of California Civil  
4 Code § 1654 and any successor or amended statute, providing that in cases of uncertainty, language  
5 of a contract should be interpreted most strongly against the party who caused the uncertainty to  
6 exist.

7 10. This Settlement Agreement may be executed in one or more counterparts, each of  
8 which shall be an original but all of which, together, shall be deemed to constitute a single  
9 document. A fax signature shall be deemed the same as an original signature.

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

12 Dated: 5/11/09 PRESTON DUFAUCHARD  
13 California Corporations Commissioner

14 By \_\_\_\_\_  
15 ALAN S. WEINGER  
16 Acting Deputy Commissioner

17 Dated: 5/11/09 A L G Capital, Inc.

18 By \_\_\_\_\_  
19 CRYSTAL LYNN PALOMINO, President

20 APPROVED AS TO FORM:

21 GARTENBERG GELFAND WASSON & SELDEN LLP

22 By \_\_\_\_\_  
23 SHIRLEY HAYTON, Attorneys for ALG  
24 CAPITAL, INC.

25 PRESTON DUFAUCHARD  
26 California Corporations Commissioner

27 By \_\_\_\_\_  
28 JOHNNY VUONG, Corporations Counsel