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7 Attorneys for Complainant

8  
9 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
10 OF THE STATE OF CALIFORNIA

11 In the Matter of: ) CFLL LICENSE NO. 605-4163  
12 )  
13 THE COMMISSIONER OF BUSINESS )  
OVERSIGHT, )  
14 )  
Complainant, ) SETTLEMENT AGREEMENT  
15 v. )  
16 )  
STEAD FINANCIAL, INC., )  
17 )  
Respondent. )  
18 )  
19

20 This Settlement Agreement is entered into between STEAD FINANCIAL, INC. (“Stead”) and  
21 the COMMISSIONER OF BUSINESS OVERSIGHT (“Commissioner”) with respect to the  
22 following facts:

23 I

24 Recitals

25 1. At all relevant times, Stead Financial, Inc. (“Stead”) is a finance lender and/or broker  
26 licensed by the Commissioner pursuant to the California Finance Lenders Law (“CFL”) (Financial  
27 Code section 22000 et seq.) under license number 605-4163. Stead’s principal place of business is at  
28 1875 Olympic Boulevard, Suite # 215, Walnut Creek, California 94596.

2. On or about February 18, 2015, the Commissioner served Stead with a Notice of

1 Intention to Issue Order Revoking California Finance Lenders Law License, Accusation and  
2 accompanying documents (“Revocation Action”). Stead received the Revocation Action on February  
3 24, 2015.

4 3. It is the intention and desire of the parties to resolve this matter without the necessity  
5 of a hearing and/or other litigation.

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

8 **II**

9 **Terms and Conditions**

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

12 5. Stead hereby agrees to the immediate issuance of a Desist and Refrain Order (“Final  
13 Order”) pursuant to Financial Code section 22712. Stead admits to the findings contained in the Final  
14 Order. A copy of the Final Order is attached and incorporated as Exhibit A.

15 6. Stead hereby acknowledges its right to an administrative hearing under Financial Code  
16 section 22712 in connection with the Final Order and hereby waives its right to a hearing, and to any  
17 reconsideration, appeal, or other rights which may be afforded pursuant to the CFLL, the California  
18 Administrative Procedure Act, the California Code of Civil Procedure, or any other provision of law  
19 in connection with these matters.

20 7. Stead hereby agrees to pay \$2,000.00 in administrative penalties to the Commissioner.  
21 The administrative penalty will be paid within 10 days of the full execution of this Settlement  
22 Agreement. The payments shall be made by check and payable to the “Department of Business  
23 Oversight” to the attention of:

24 Johnny Vuong  
25 Enforcement Division  
26 Department of Business Oversight  
27 320 W. 4<sup>th</sup> St., Suite # 750  
28 Los Angeles, CA 90013

8. The parties hereby acknowledge and agree that this Settlement Agreement is intended  
to constitute a full, final and complete resolution of the Revocation Action and that no further

1 proceedings or actions will be brought by the Commissioner in connection with these matters either  
2 under the CFLL or any other provision of law, excepting therefrom any proceeding or action if such  
3 proceeding or action is based upon facts not presently known to the Commissioner or which were  
4 knowingly concealed from the Commissioner by Stead. The parties further acknowledge and agree  
5 that nothing contained in this Settlement Agreement shall operate to limit the Commissioner's ability  
6 to assist any other agency (city, county, state or federal) with any prosecution, administrative, civil or  
7 criminal, brought by any such agency against Stead or any other person based upon any of the  
8 activities alleged in these matters or otherwise.

9 9. Stead represents that no promises of any kind or nature whatsoever were made to  
10 induce Stead to enter into this Settlement Agreement, and that this Settlement Agreement is a  
11 voluntary act on the part of Stead.

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

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

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

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

8           14.     Stead enters into this Settlement Agreement voluntarily and without coercion and  
9 acknowledges that no promises, threats or assurances have been made by the Commissioner or any  
10 officer, or agent thereof, about this Settlement Agreement.

11           15.     The waiver of any provision of this Settlement Agreement shall not operate to waive  
12 any other provision set forth herein, and any waiver, amendment and/or change to the terms of this  
13 Settlement Agreement must be in writing and signed by the parties.

14           16.     This Settlement Agreement shall not become effective until signed and delivered by  
15 all parties.

16           17.     The parties agree that this Settlement Agreement may be executed in one or more  
17 separate counterparts, each of which when so executed, shall be deemed an original. A fax signature  
18 shall be deemed the same as an original signature. Such counterparts shall together constitute and be  
19 one and the same instrument.

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

22  
23 Dated: April 1, 2015  
24       Los Angeles, California

JAN LYNN OWEN  
Commissioner of Business Oversight

25  
26 By \_\_\_\_\_  
27 MARY ANN SMITH  
28 Deputy Commissioner  
Enforcement Division

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STEAD FINANCIAL, INC.

Dated: March 26, 2015

By \_\_\_\_\_  
Tom Johansen  
Vice President

PREPARED BY:

\_\_\_\_\_  
JOHNNY O. VUONG  
Senior Counsel  
Department of Business Oversight