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7 Attorneys for Complainant

8 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION  
9 OF THE STATE OF CALIFORNIA

10  
11 In the Matter of: )  
 ) NMLS No.: 2111226  
12 THE COMMISSIONER OF FINANCIAL )  
PROTECTION AND INNOVATION, ) SPONSOR No.: 413-1356 & 60DBO-93110  
13 )  
14 Complainant, ) CONSENT ORDER  
 )  
15 v. )  
 )  
16 STEPHEN KASRAIE ZANDER, )  
 )  
17 Respondent. )  
18 )  
19

20 This Consent Order is entered into between the Commissioner of Financial Protection and  
21 Innovation (Commissioner) and Respondent Stephen Kasraie Zander (Zander), and is made with  
22 respect to the following facts:

23 **I.**

24 **Recitals**

25 A. The Department of Financial Protection and Innovation (Department), through the  
26 Commissioner, has jurisdiction over the licensing and regulation of persons engaged in the business  
27 of making, servicing, and/or brokering residential mortgage loans, including mortgage loan  
28 originators (MLO or MLOs), under the California Financing Law (CFL) (Fin. Code, § 22000 et seq.)

CONSENT ORDER

1 and the California Residential Mortgage Lending Act (CRMLA) (Fin Code, § 50000 et seq.).

2 B. On May 24, 2021, Zander applied for an MLO license with the Commissioner.

3 C. The MLO license application of Zander disclosed the following: (i) a February 26,  
4 2018 conviction of one misdemeanor count of violating Virginia Code section 18.2-95/96 – Petit  
5 Larceny - theft from grocery store under \$200; and (ii) a May 22, 2018 conviction of one  
6 misdemeanor count of violating Virginia Code section 18.2-178 - Obtaining Money by False  
7 Pretenses. The misdemeanor convictions were disclosed by Zander in his MLO license application  
8 and supporting documentation submitted as required.

9 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions  
10 contained herein, the Commissioner and Zander (the Parties) agree as follows:

11 **II.**

12 **Terms and Conditions**

13 1. Purpose. This Consent Order resolves the findings described in Paragraph C above  
14 in a manner that avoids the expense of a hearing and other possible court proceedings, protects  
15 consumers, is in the public interest, and is consistent with the purposes, policies, and provisions  
16 of the CFL and CRMLA.

17 2. Waiver of Hearing Rights. Zander acknowledges that the Commissioner is ready,  
18 willing, and able to proceed with the filing of an administrative enforcement action on the findings  
19 contained in this Consent Order. Zander hereby waives his right to a hearing, and to any  
20 reconsideration, appeal or other right to review which may be afforded by the CFL, the CRMLA, the  
21 California Administrative Procedure Act, the California Code of Civil Procedure, or any other  
22 provision of law in connection herewith. By waiving such rights, Zander effectively consents to this  
23 Consent Order becoming final.

24 3. Revocation of License. Zander agrees that for the 36-month period from the effective  
25 date of this Consent Order, should the Commissioner make a finding that Zander has violated or is  
26 violating any provision of the CFL and/or the CRMLA, or any rule, regulation, or law under the  
27 jurisdiction of the Commissioner, the state of California, the United States of America, and every  
28 state and foreign government (and political subdivision thereof), the Commissioner may, in his

1 discretion, summarily revoke any license held by or deny any pending license application(s) of  
2 Zander. Zander hereby waives any notice and hearing rights to contest such revocation or denial(s)  
3 which may be afforded him under the CFL, the CRMLA, the California Administrative Procedure  
4 Act, the California Code of Civil Procedure, or any other provision of law in connection with any  
5 such summary revocation and/or denial. Zander further expressly waives any requirement for the  
6 filing of an accusation and/or statement of issues under Government Code section 11415.60,  
7 subdivision (b), in connection with any license revocation and/or denial under this paragraph.

8 4. Reporting Requirement. During the 36-month period from the effective date of this  
9 Consent Order, Zander shall report to the Commissioner within 30 days any disciplinary  
10 investigations or actions against him by any licensing agencies, any criminal investigations,  
11 prosecutions, or convictions against Zander, or any civil judgments against Zander. Traffic citations  
12 shall be excluded.

13 5. Continuing Education. Zander agrees to annually take at least 4 hours of continuing  
14 education, in addition to the 8 hours of continuing education required by Financial Code section  
15 22109.5 and 50145, offered by a Nationwide Mortgage Licensing System (NMLS) approved vendor  
16 for the next 36 months and agrees to submit proof of compliance to the Commissioner. The first  
17 report is due on September 30, 2022. The second report is due on September 30, 2023. The third  
18 report is due on September 30, 2024. Should the reporting deadline fall on a Saturday, Sunday, or  
19 state holiday, the report must be received by the Commissioner’s agent by the following business  
20 day.

21 6. Remedy for Breach. Zander acknowledges and agrees that his failure to satisfy the  
22 reporting and/or continuing education requirements under paragraphs 4 and 5 above, shall be  
23 deemed a breach and cause for the Commissioner to immediately revoke any license held by or deny  
24 any pending application(s) of Zander. Zander hereby waives any notice and hearing rights to contest  
25 such revocation or denial(s) which may be afforded him under the CFL, the CRMLA, the California  
26 Administrative Procedure Act, the California Code of Civil Procedure, or any other provision of law  
27 in connection with any such summary revocation and/or denial. Zander further expressly waives any  
28 requirement for the filing of an accusation and/or statement of issues under Government Code

1 section 11415.60, subdivision (b), in connection with any license revocation and/or denial under this  
2 paragraph.

3 7. Approval of MLO Application. The Commissioner hereby acknowledges that the  
4 MLO license application of Zander is ready to be approved, and the Commissioner hereby agrees to  
5 approve it concurrently with the execution of this Consent Order.

6 8. Full and Final Settlement. The Parties hereby acknowledge and agree that this  
7 Consent Order is intended to constitute a full, final, and complete resolution of the findings  
8 described in Paragraph C above, and that no further proceedings or actions will be brought by the  
9 Commissioner in connection with the with the findings described in Paragraph C above under the  
10 CFL, the CRMLA, or any other provision of law, excepting therefrom any proceeding to enforce  
11 compliance with the terms of this Consent Order.

12 9. Information Willfully Withheld or Misrepresented. This Consent Order may be  
13 revoked, and the Commissioner may pursue any and all remedies available under the law against  
14 Zander, if the Commissioner discovers that Zander knowingly or willfully withheld information used  
15 for and relied upon in this Consent Order.

16 10. Assisting Other Agencies. Nothing in this Consent Order limits the Commissioner’s  
17 ability to assist any other government agency (city, county, state, or federal) with any administrative,  
18 civil or criminal prosecutions brought by that agency against Zander or any other person based upon  
19 any of the activities alleged in this matter or otherwise.

20 11. Headings. The headings to the paragraphs of this Consent Order are for convenience  
21 only and will not be deemed a part hereof or affect the construction or interpretation of the  
22 provisions hereof.

23 12. Binding. This Consent Order is binding on all heirs, assigns, and/or successors in  
24 interest.

25 13. Reliance. Each of the Parties represents, warrants, and agrees that in executing this  
26 Consent Order it has relied solely on the statements set forth herein and the advice of its own  
27 counsel. Each of the Parties further represents, warrants, and agrees that in executing this Consent  
28 Order it has placed no reliance on any statement, representation, or promise of any other party, or

1 any other person or entity not expressly set forth herein, or upon the failure of any party or any other  
2 person or entity to make any statement, representation or disclosure of anything whatsoever. The  
3 Parties have included this clause: (a) to preclude any claim that any party was in any way  
4 fraudulently induced to execute this Consent Order; and (b) to preclude the introduction of parol  
5 evidence to vary, interpret, supplement, or contradict the terms of this Consent Order.

6 14. Waiver, Amendments, and Modifications. No waiver, amendment, or modification of  
7 this Consent Order will be valid or binding unless it is in writing and signed by each of the Parties.  
8 The waiver of any provision of this Consent Order will not be deemed a waiver of any other  
9 provision. No waiver by either party of any breach of, or of compliance with, any condition or  
10 provision of this Consent Order by the other party will be considered a waiver of any other condition  
11 or provision or of the same condition or provision at another time.

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

18 16. Governing Law. This Consent Order will be governed by and construed in  
19 accordance with California law. Each of the Parties hereto consents to the jurisdiction of such court,  
20 and hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient  
21 forum to the maintenance of such action or proceeding in such court.

22 17. Counterparts. This Consent Order may be executed in one or more separate  
23 counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall  
24 together constitute a single document.

25 18. Mandatory Disclosure in Future Applications. Zander agrees to disclose this  
26 Consent Order in any application for a license, permit or qualification under the Commissioner’s  
27 current or future jurisdiction.

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1           19.    Effect Upon Future Proceedings. If Zander is the subject of any future action by the  
2 Commissioner to enforce this Consent Order, then the subject matter hereof shall be admitted for the  
3 purpose of such action.

4           20.    Voluntary Agreement. Zander enters into this Consent Order voluntarily and without  
5 coercion and acknowledges that no promises, threats or assurances have been made by the  
6 Commissioner or any officer, or agent thereof, about this Consent Order. The Parties each represent  
7 and acknowledge that he, she or it is executing this Consent Order completely voluntarily and  
8 without any duress or undue influence of any kind from any source.

9           21.    Notice. Any notice/report required under this Consent Order shall be addressed as  
10 follows:

- 11                   To Zander:                               szander@mutualmortgage.com
- 12                   To the Commissioner:           Judy L. Hartley, Esq.
- 13   Senior Counsel
- 14   Department of Financial Protection and Innovation
- 15   320 W. 4<sup>th</sup> Street, Suite 750
- 16   Los Angeles, California 90013-2344
- 17   judy.hartley@dfpi.ca.gov

18           22.    Signatures. A fax or electronic mail signature shall be deemed the same as an original  
19 signature.

20           23.    Public Record. Zander hereby acknowledges that this Consent Order is and will be a  
21 matter of public record.

22           24.    Effective Date. This Consent Order shall become final and effective when signed by  
23 all parties and delivered by the Commissioner’s counsel via e-mail to Zander at  
24 szander@mutualmortgage.com.

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25. Authority to Sign. Each signatory hereto covenants that he or she possesses all necessary capacity and authority to sign and enter into this Consent Order and undertake the obligations set forth herein.

Dated: August 17, 2021

CHRISTOPHER S. SHULTZ  
Acting Commissioner of Financial Protection and Innovation

By \_\_\_\_\_  
MARY ANN SMITH  
Deputy Commissioner

Dated: August 16, 2021

By \_\_\_\_\_  
STEPHEN KASRAIE ZANDER, an individual