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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:

12 THE COMMISSIONER OF FINANCIAL )  
13 PROTECTION AND INNOVATION, )

NMLS NO.: 2059834

14 Complainant, )

SPONSOR NO.: N/A

15 v. )

16 MAX KAY also known as MANSOUREDIN )  
17 KAYATZADEH, )

SETTLEMENT AGREEMENT

18 Respondent. )  
19

20 This Settlement Agreement is entered into by and between the Acting Commissioner of  
21 Financial Protection and Innovation (Commissioner) and Max Kay aka Mansouredin Kayatzadeh  
22 (Kay), and is made with 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 mortgage loan originators  
27 pursuant to the California Financing Law (Fin. Code §22000, et seq.) (CFL) and the California  
28

1 Residential Mortgage Lending Act (CRMLA) (Fin. Code §50000 et seq.).

2 B. On February 9, 2021, Kay filed an application for a mortgage loan originator license  
3 (MLO license application) with the Commissioner pursuant to the CFL and the CRMLA, in  
4 particular, Financial Code sections 22105.1 and 50140.

5 C. On August 3, 2021, Kay was personally served by the Commissioner with a Notice of  
6 Intention to Issue Order Denying Mortgage Loan Originator License Application, Statement of Issues  
7 and accompanying documents dated August 2, 2021 (Statement of Issues).

8 D. On August 4, 2021, Kay timely submitted a Notice of Defense to the Commissioner  
9 requesting an administrative hearing on the allegations set forth in the Statement of Issues.

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

12 **II.**

13 **Terms and Conditions**

14 1. **Purpose.** This Settlement Agreement resolves the Statement of Issues in a manner  
15 that avoids the expense of a hearing and other possible court proceedings, protects consumers, is  
16 in the public interest, and is consistent with the purposes, policies, and provisions of the CFL and  
17 CRMLA.

18 2. **Waiver of Hearing Rights.** Kay acknowledges the Commissioner is ready, willing,  
19 and able to proceed with the administrative enforcement action described above in Paragraph C  
20 above. Kay hereby waives his right to any hearing, and to any reconsideration, appeal, or other right  
21 to review which may be afforded pursuant to the CFL, the CRMLA, the California Administrative  
22 Procedure Act, the California Code of Civil Procedure, or any other provision of law in connection  
23 herewith. By waiving such rights, Kay effectively consents to this Settlement Agreement becoming  
24 final.

25 3. **Revocation of License.** Kay agrees that for the 24-month period from the effective  
26 date of this Settlement Agreement, should the Commissioner make a finding that Kay has violated or  
27 is violating any provision of the CFL and/or the CRMLA, or any rule, regulation, or law under the  
28 jurisdiction of the Commissioner, the state of California, the United States of America, and every

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

9 4. **Reporting Requirement.** During the 24-month period from the effective date of this  
10 Settlement Agreement, Kay shall report to the Commissioner within 30 days any disciplinary  
11 investigations or actions against him by any licensing agencies, any criminal investigations,  
12 prosecutions, or convictions against Max Kay, or any civil judgments against Kay. Traffic citations  
13 shall be excluded.

14 5. **Continuing Education.** Kay agrees to annually take at least 4 hours of continuing  
15 education, in addition to the 8 hours of continuing education required by Financial Code section  
16 22109.5 and 50145, offered by a Nationwide Mortgage Licensing System (NMLS) approved vendor  
17 for the next 24 months and agrees to submit proof of compliance to the Commissioner. The first  
18 report is due on November 15, 2022. The second report is due on November 15, 2023. Should the  
19 reporting deadline fall on a Saturday, Sunday, or state holiday, the report must be received by the  
20 Commissioner’s agent by the following business day.

21 6. **Remedy for Breach.** Kay acknowledges and agrees that his failure to satisfy the  
22 reporting and/or continuing education requirements under paragraphs 4 and 5 above, shall be deemed  
23 a breach and cause for the Commissioner to immediately revoke any license held by or deny any  
24 pending application(s) of Kay. Kay hereby waives any notice and hearing rights to contest such  
25 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. Kay further expressly waives any  
28 requirement for the filing of an accusation and/or statement of issues under Government Code section

1 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 Kay is ready to be approved, and the Commissioner hereby agrees to  
5 approve it concurrently with the execution of this Settlement Agreement.

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

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

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

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

23 12. **Reliance.** Each of the Parties represents, warrants, and agrees that in executing this  
24 Settlement Agreement it has relied solely on the statements set forth herein and the advice of its own  
25 counsel. Each of the Parties further represents, warrants, and agrees that in executing this Settlement  
26 Agreement it has placed no reliance on any statement, representation, or promise of any other party,  
27 or any other person or entity not expressly set forth herein, or upon the failure of any party or any  
28 other person or entity to make any statement, representation or disclosure of anything whatsoever.

1 The Parties have included this clause: (1) to preclude any claim that any party was in any way  
2 fraudulently induced to execute this Settlement Agreement; and (2) to preclude the introduction of  
3 parol evidence to vary, interpret, supplement, or contradict the terms of this Settlement Agreement.

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

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

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

20 16. **Counterparts.** This Settlement Agreement may be executed in one or more separate  
21 counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall  
22 together constitute a single document.

23 17. **Mandatory Disclosure in Future Applications.** Kay agrees to disclose this  
24 Settlement Agreement in any application for a license, permit or qualification under the  
25 Commissioner's current or future jurisdiction.

26 18. **Effect Upon Future Proceedings.** If Kay is the subject of any future action by the  
27 Commissioner to enforce this Settlement Agreement, then the subject matter hereof shall be admitted  
28 for the purpose of such action.

1 19. **Voluntary Agreement.** Kay enters into this Settlement Agreement voluntarily and  
2 without coercion and acknowledges that no promises, threats or assurances have been made by the  
3 Commissioner or any officer, or agent thereof, about this Settlement Agreement. The Parties each  
4 represent and acknowledge that he, she or it is executing this Settlement Agreement completely  
5 voluntarily and without any duress or undue influence of any kind from any source.

6 18. **Notice.** Any notice/report required under this Settlement Agreement shall be  
7 addressed as follows:

8 To Kay:	Seth Weinstein, Esq. 9 Law Offices of Seth Weinstein, P.C. 10 15260 Ventura Blvd. Suite 1200 11 Sherman Oaks, California 91403 12 sweinsteinlaw@gmail.com
13 To the Commissioner:	Judy L. Hartley, Esq. 14 Senior Counsel 15 Department of Financial Protection and Innovation 16 320 W. 4 <sup>th</sup> Street, Suite 750 17 Los Angeles, California 90013-2344 18 judy.hartley@dfpi.ca.gov

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

21 20. **Public Record.** Kay hereby acknowledges that this Settlement Agreement is and will  
22 be a matter of public record.

23 21. **Effective Date.** This Settlement Agreement shall become final and effective when  
24 signed by all Parties and delivered by the Commissioner’s counsel via e-mail to Kay’s attorney at  
25 sweinsteinlaw@gmail.com.

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1           22.    **Authority to Sign.** Each signatory hereto covenants that he or she possesses all  
2 necessary capacity and authority to sign and enter into this Settlement Agreement and undertake the  
3 obligations set forth herein.

4 Dated: November 10, 2021

CHRISTOPHER S. SHULTZ  
Acting Commissioner of Financial Protection and Innovation

5  
6 By \_\_\_\_\_  
7 MARY ANN SMITH  
8 Deputy Commissioner

9 Dated: November 4, 2021

10 By \_\_\_\_\_  
11 MAX KAY, an individual

12 APPROVED AS TO FORM:

13 By \_\_\_\_\_  
14 SETH WEINSTEIN, ESQ. attorney for  
15 MAX KAY  
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