

NEW YORK STATE DEPARTMENT
OF FINANCIAL SERVICES

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In the Matter of

Parkside Lending, LLC
B501050

SETTLEMENT AGREEMENT

A Licensed Mortgage Banker Pursuant to
Article 12-D of the New York Banking Law
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This Settlement Agreement (“Agreement”) is made and entered into by and between Parkside Lending, LLC (“Parkside”) and the New York State Department of Financial Services (the “Department”) (collectively, the “Settling Parties”) evidencing an agreement between the Settling Parties to resolve, without a hearing, the violation of Section 594-b(1) of New York Banking Law (“Banking Law”), upon and subject to the terms and conditions hereof.

I.

RECITALS

1. Parkside, headquartered at 180 Redwood Street, Suite 250, San Francisco, CA 94102, was granted a license by the Department on October 22, 2015 to engage in business as a mortgage banker pursuant to Article 12-D of the Banking Law.

2. Sections 44(1)(a) and 598(1) of the Banking Law provide, in part, that the Superintendent of Financial Services (the “Superintendent”) may, in a proceeding after notice and a hearing, require a licensed mortgage banker to pay to the people of this State a penalty for a violation of the Banking Law and/or any regulation promulgated thereunder.

3. Section 38.8(a) of the General Regulations of the Superintendent provides that a mortgage banker may be subject to disciplinary action by the Department for, among other things, violations of Article 12-D of the Banking Law, the regulations promulgated thereunder, or violations of state or federal law indicating that the entity is unfit to engage in the business of a mortgage banker.

4. In May 2016, Parkside submitted a change of control notice on behalf of Alan A. Sagatelyan with the effective date of June 1, 2016.

5. On June 1, 2016, such ownership structure of Parkside was consummated reflecting Alan A. Sagatelyan as one of the direct owners of Parkside.

6. A review of the Department's records disclosed that the aforementioned change of control application has not been approved by the Superintendent.

7. Parkside's notice was not accepted for processing until April 27, 2017 due to Parkside's late submission of necessary documents. Parkside did not give the Department time to review Parkside's notice, and did not participate in the review process.

8. As a result, Parkside is in violation of Section 594-b(1) of the Banking Law, which requires a licensee to obtain the prior approval of the Superintendent for any action to be taken which results in a change of control of the business of a licensee.

II.

SETTLEMENT TERMS AND CONDITIONS

Parkside is willing to resolve the violation cited herein by entering into this Agreement and freely and voluntarily waives its right to a hearing on such violation under Banking Law Sections 44 and 598. Therefore, in consideration of the promises and covenants set forth herein, the Settling Parties agree, as follows:

1. Parkside agrees to take all necessary steps to ensure its compliance with all applicable federal and state laws, regulations, and supervisory requirements relating to its mortgage business, including but not limited to, obtaining the prior approval of the Superintendent for any action that will result in a change of control of Parkside.

2. Parkside agrees to pay a fine of \$10,000.

3. Parkside further agrees that such payment will be made in immediately available funds in

accordance with the Department's payment instructions.

III.

MISCELLANEOUS TERMS AND CONDITIONS

1. Parkside acknowledges that the its failure to comply with any of the settlement terms and conditions of this Agreement may result in the Department taking action to revoke Parkside's license to engage in the business of a mortgage banker.
2. Parkside acknowledges that entering into this Agreement shall not bar, estop, or otherwise prevent the Superintendent, or any state, federal or local agency or department or any prosecutorial authority from taking any other action affecting Parkside, any of its current or former owners, officers, directors, employees, or insiders, or their successors or assigns with respect to the violation cited herein, or any other matter whether related or not to such violation.
3. This Agreement may not be altered, modified or changed unless in writing and signed by the Superintendent or his designee.
4. This Agreement shall be enforceable and remain in effect unless stayed or terminated in writing by the Superintendent or her designee.
5. The effective date of this Agreement is the date on which it is executed by the Deputy Superintendent or her designee.
6. All written communications to the Department regarding this Agreement should be sent as follows:

Attention:

Rholda L. Ricketts
Deputy Superintendent
State of New York Department of Financial Services
One State Street,
New York, New York 10004

7. All written communications to Parkside regarding this Agreement should be sent as follows:

Attention:

Matthew Ostrander
Chief Executive Officer
Parkside Lending, LLC
180 Redwood Street, Suite 250
San Francisco, CA 94102

8. This Agreement is not confidential; the Settling Parties understand that it may be made available to the public.

WHEREFORE, the Settling Parties hereto have caused this Agreement to be executed.

Parkside Lending, LLC

By: _____/s/_____

Matthew Ostrander
Owner and Chief Executive Officer

Dated: _____

By: _____/s/_____

Alan A. Sagatelyan
Owner

Dated: _____

New York State Department of Financial Services

By: _____/s/_____

Rholda L. Ricketts
Deputy Superintendent

Dated: _____