

New York State Department
of Financial Services

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In the Matter of

QUINSTREET MEDIA, INC.
A006877

SETTLEMENT AGREEMENT

A Registered Mortgage Broker Pursuant To
Article XII-D of the New York Banking Law

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This Settlement Agreement ("Agreement") is made and entered into by and between QuinStreet Media, Inc. ("QuinStreet") and the New York State Department of Financial Services (the "Department" collectively, with QuinStreet, the "Settling Parties") evidencing an agreement between the Settling Parties to resolve, without a hearing, the violations of Articles 12-D and 12-E of the New York Banking Law ("Banking Law"), Section 130.1(b) of the General Business Law, Section 301(a)(5)(B) of the New York Business Corporation Law, and Part 38 of the General Regulations of the Superintendent ("General Regulations"), upon and subject to the terms and conditions hereof.

I.

RECITALS

1. QuinStreet, headquartered at 950 Tower Lane, 6th Floor, Foster City, California 94404, was granted a registration by the Department on April 6, 2007 to engage in business as a mortgage broker, pursuant to Article 12-D of the Banking Law.

2. Section 44 of the Banking Law provides, in part, that the Superintendent may, in a proceeding after notice and a hearing, require a registered mortgage broker to

pay to the people of this State a penalty for a violation of the Banking Law and any regulation promulgated thereunder.

3. Section 38.8 of the General Regulations provides that a mortgage broker 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 broker.

Unauthorized Location

4. QuinStreet sent an email solicitation in March 2014 promoting New York residential mortgage loans. A sample of the email solicitation is annexed as Exhibit A.

5. The email solicitation stated and used the address “1752 NW Market Street, Seattle, [WA] 98107.”

6. This address is a location that was not authorized by the Department for QuinStreet to conduct New York regulated mortgage activities.

7. Accordingly, QuinStreet violated Article 12-D Section 591-a(2) of the Banking Law, which requires registrants to apply for authority to open and maintain one or more branch offices.

Unauthorized Assumed Names

8. According to the Department’s records, QuinStreet does not have any assumed names. QuinStreet has only one name, which is QuinStreet Media, Inc.

9. The email solicitation used the name “GuideToLenders.com” in the

statement “Alerts Team at GuideToLenders.com.”

10. QuinStreet’s website guidetolenders.com used the names “GuideToLenders.com” and “Guide To Lenders” to conduct regulated mortgage business. A sample of the website is annexed as Exhibit B.

11. Section 595-a(2)(a) of the Banking Law provides that a mortgage broker’s advertisements must contain the name that conforms to a name on record with the Department.

12. Accordingly, QuinStreet’s usage of the names “GuideToLenders.com” and “Guide To Lenders” without authorization constitutes violations of Section 595-a(2)(a) of the Banking Law.

13. Additionally, the violations constituted a violation of Section 130.1(b) of the General Business Law, which requires a Certificate of Assumed Name to be filed with the New York Secretary of State.

Unauthorized Usage of Restricted Word

14. The names GuideToLenders.com and Guide To Lenders used the word “Lenders,” a derivative of the restricted word “loan.”

15. Section 301(a)(5)(B) of the New York Business Corporation Law requires the approval of the Superintendent prior to using the restricted word or a derivative of the word “loan” in its name.

16. According to the Department’s records, QuinStreet did not receive approval to use the restricted word or a derivative of the restricted word “loan.”

17. Accordingly, QuinStreet’s usage of the restricted word “Lenders” in the

names GuideToLenders.com and Guide To Lenders constitutes violations of Section 301(a)(5)(B) of the New York Business Corporation Law.

Omitted Disclosures

18. The email solicitation omitted QuinStreet's name and the licensed location address.

19. Accordingly, QuinStreet violated Section 38.2(b) of the General Regulations, which requires advertisements by a mortgage broker to state its name and address.

20. The email solicitation omitted the legend "Registered Mortgage Broker – NYS Department of Financial Services."

21. Accordingly, QuinStreet violated Section 38.2(a) of the General Regulations, which requires advertisements by a mortgage broker to contain the legend "Registered Mortgage Broker – NYS Department of Financial Services."

22. The email solicitation omitted the statement that the mortgage broker arranges mortgage loans with third-party providers.

23. Accordingly, QuinStreet violated Section 38.2(d) of the General Regulations, which requires advertisements by a mortgage broker to contain the statement that the mortgage broker arranges mortgage loans with third-party providers.

24. The email solicitation omitted the unique identifier of QuinStreet, which is NMLS No. 2547.

25. Accordingly, QuinStreet violated Section 599-p of the Banking Law, which requires advertisements by a mortgage broker to contain its unique identifier.

II

SETTLEMENT TERMS AND CONDITIONS

QuinStreet is willing to resolve the violations by entering into this Agreement and freely and voluntarily waives its right to a hearing under Banking Law Sections 44 and 598 on such violations. Therefore, in consideration of the promises and covenants set forth herein:

1. QuinStreet 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:

- a. complying with the requirements of Article 12-D of the Banking Law, and Part 38 of the General Regulations;
- b. ensuring that it does not conduct New York mortgage origination activities at locations which have not been authorized by the Department; and
- c. not conducting or transacting business in this state under any assumed name or designation using any website, domain, or other name that has not been approved by the Superintendent.

2. QuinStreet agrees to develop appropriate written advertisement policies and procedures designed to ensure compliance with all applicable federal and state laws, regulations, supervisory requirements and guidance letters. The advertisement policies and procedures shall, at a minimum: (i) designate an individual responsible for monitoring compliance with all applicable federal and state laws, regulations, supervisory requirements and guidance letters; and (ii) establish a training program to ensure that

QuinStreet and its employees involved in loan origination understand all applicable federal and state laws, regulations, supervisory requirements and guidance letters.

3. Within ninety (90) days from the effective date of this Agreement, QuinStreet agrees to submit a draft of its advertisement policies and procedures to the Department for review.

4. Within thirty (30) days of receipt of non-objection or any comments from the Department, and after incorporation and adoption of all comments, QuinStreet agrees to submit a copy of its final advertisement policies and procedures to the Department together with a letter from an authorized officer of QuinStreet indicating his/her approval of such advertisement policies and procedures.

5. QuinStreet agrees to pay a fine of \$12,500 in a single payment.

6. QuinStreet 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. QuinStreet acknowledges that its failure to comply with any of the settlement terms and conditions of this Agreement may result in the Department taking action to revoke QuinStreet's registration to engage in the business of a mortgage broker under Article 12-D of the Banking Law.

2. QuinStreet 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 QuinStreet, any of its current or former owners, officers, directors, employees, or insiders, or their successors or assigns with respect to the violations cited herein, or any other matter whether related or not to such violations.

3. This Agreement may not be altered, modified or changed unless in writing 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 his designee.

5. The effective date of this Agreement is the date on which it is executed by the Deputy Superintendent

6. All written communications to the Department regarding this Agreement should be sent as follows.

Attention:

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

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

Attention:

Douglas Jay Valenti
President/Director/Treasurer
QuinStreet Media, Inc.
950 Tower Lane, 6th Floor
Foster City, CA 94404

8. This Agreement is not confidential; therefore it is available to the public.

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

QuinStreet Media, Inc.

By: _____

Douglas Jay Valenti
President/Director/Treasurer

Dated: _____

New York State Department of Financial Services

By: _____

Rholda L. Ricketts
Deputy Superintendent

Dated: _____