

New York State
Department of Financial Services

EXECUTED

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In the Matter of

Michael Goldberg
NMLS NO. 40184

SETTLEMENT AGREEMENT

A Licensed Mortgage Loan Originator Pursuant To
Article XII-E of the New York Banking Law

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This Settlement Agreement (“Agreement”) is made and entered into by and between Michael Goldberg (“Mr. Goldberg”) and the New York State Department of Financial Services (the “Department” and collectively with Mr. Goldberg, the “Parties”) evidencing an agreement between the Parties to resolve, without a hearing, the violations of Article 12-D Section 590 of the New York Banking Law (the “Banking Law”), and Part 420 of the Superintendent’s Regulations, upon and subject to the terms and conditions hereof.

I.

RECITALS

1. Mr. Goldberg was licensed by the Department on January 31, 2011, as a mortgage loan originator (“MLO”), pursuant to Article 12-E of the Banking Law.

2. Section 44 of the Banking Law provides, in part, that the Superintendent of Financial Services of the State of New York (“Superintendent”) may, in a proceeding after notice and a hearing, require various persons to pay to the people of this State a penalty for a violation of the Banking Law and any regulation promulgated thereunder.

3. Section 420.21(g) of Part 420 of the Superintendent’s Regulations provides that a

fine may be imposed against a MLO for any violation of the Banking Law, any regulation promulgated thereunder, any final or temporary order issued pursuant to Section 39 of the Banking Law, any condition imposed by the Superintendent in connection with the granting of any application or request or any written agreement entered into with the Superintendent.

Unauthorized Conduct

4. Part 420.20(a)(3) of the Superintendent's Regulations, prohibits a MLO from misrepresenting his or her status, or persuade or induce a borrower to apply for a mortgage loan under the belief that such MLO is duly licensed as a mortgage banker or registered as a mortgage broker, pursuant to Article 12-D of the Banking Law.

5. Part 420.20(a)(4) of the Superintendent's Regulations, prohibits a MLO from publishing, advertising, or displaying his or her MLO license in any manner which implies that the MLO is licensed or registered with the Department to engage in mortgage loan originating activities as a mortgage banker or mortgage broker pursuant to Article 12-D of the Banking Law.

6. Part 420.20(a)(6) of the Superintendent's Regulations, prohibits a MLO from engaging in any transaction, practice, or course of business that is not in good faith or does not constitute fair dealing as required by the character and fitness requirements of Sections 592, 592-a and 599 of the Banking Law.

7. Additionally, Section 590.2(b) of the Banking Law prohibits any person or entity from soliciting or offering to solicit, process, place or negotiate a mortgage loan without first being registered with the Department as a mortgage broker.

8. Mr. Goldberg is currently employed as a Loan Officer with Freedom Mortgage Corporation ("Freedom"), a New York licensed mortgage banker since March 2016.

9. The Department determined that during a period including September 2019, Mr. Goldberg, while employed with Freedom, used an advertisement poster, to promote and solicit mortgage loans relating to properties in New York State. A sample of the poster is annexed as Exhibit A.

10. The poster displayed Mr. Goldberg's contact information and was used to advertise to New York State consumers to collect consumer information in a manner which suggested that Mr. Goldberg is a mortgage broker. Specifically, the poster stated, "FINANCING AVAILABLE THROUGH Michael Goldberg", and displayed his MLO NMLS ID and personal contact information.

11. According to the Department records, Mr. Goldberg is registered only as a MLO. He is not authorized to conduct regulated New York mortgage business as a mortgage broker.

12. Additionally, the poster suggested that Mr. Goldberg was a registered mortgage broker, together with Freedom without properly identifying him as a MLO and employee of Freedom.

13. Accordingly, Mr. Goldberg violated Parts 420.20(a)(3), (4) and (6) of the Superintendent's Regulations, which prohibit a MLO from misrepresenting his or her MLO license as mortgage broker registration. Additionally, by advertising himself in a manner which implies that he is a registered mortgage broker, Mr. Goldberg violated Section 590.2(b) of the Banking Law.

II.

SETTLEMENT TERMS AND CONDITIONS

IT IS HEREBY UNDERSTOOD AND AGREED by Mr. Goldberg that:

14. Mr. Goldberg is willing to resolve the violations cited herein by entering into this Agreement and freely and voluntarily waives his right to a hearing under Section 44 of the Banking Law and Part 420.21 of the Superintendent's Regulations and any appeal on such violations. In consideration of the promises and covenants set forth herein, the Parties agrees as follows:

15. Mr. Goldberg agrees to take all necessary steps to ensure his compliance with all applicable federal and state laws, regulations and supervisory requirements relating to his mortgage business, including, but not limited to ensuring that his activities are conducted, and advertisements are in forms, that will not mislead consumers into believing that he is licensed as a mortgage banker or registered mortgage broker, pursuant to Article 12-D of the Banking Law. Mr. Goldberg agrees to pay a fine of \$2,500 as a penalty, to the Department no later than ten (10) days after the effective date of this Agreement.

16. The payments will be made by wire transfer in accordance with the Department's payment instructions.

17. Mr. Goldberg's mortgage origination activities will be subject to examinations semi-annually for a two-year period following the execution of this Agreement.

18. Neither Mr. Goldberg nor his affiliates shall, collectively or individually, seek or accept, directly or indirectly, reimbursement or indemnification including but not limited to payment made pursuant to any insurance policy, or from any of his affiliates, with regard to any

or all of the amount payable pursuant to this Agreement.

19. Mr. Goldberg agrees that he will not claim, assert, or apply for a tax deduction or tax credit with regard to any United States federal, state or local tax, directly or indirectly, for any portion of the penalty paid pursuant to this Agreement.

III.

Miscellaneous Terms and Conditions

1. Mr. Goldberg acknowledges that his failure to fully comply with any of the terms and/or conditions of this Agreement may result in the Department taking action to suspend or revoke his MLO license to engage as a MLO under Article 12-E of the Banking Law.

2. The Superintendent has agreed to the terms of this Agreement based on the written representations made to the Department, or the written materials submitted to the Department, by Mr. Goldberg, either directly or through his counsel, and the Department's findings. To the extent that the written representations or written submissions, made by Mr. Goldberg to the Department, either directly or through his counsel, are later found to be materially incomplete or inaccurate, this Agreement is voidable by the Superintendent in her sole discretion.

3. Upon the request of the Department, Mr. Goldberg shall provide all documentation and information necessary for the Department to verify full compliance with this Agreement.

4. Mr. Goldberg represents and warrants, through the signature below, that the terms and conditions of this Agreement were duly approved, and execution is duly authorized.

5. No further action will be taken by the Department against Mr. Goldberg for the

specific conduct set forth in this Agreement, provided that Mr. Goldberg fully complies with the terms of this Agreement.

6. This Agreement and any dispute thereunder shall be governed by the laws of the State of New York without regard to any conflict of laws principles.

7. Mr. Goldberg waives all rights to further notice and hearing in this matter as to any allegations of past violations up to and including the effective date of this Agreement and agrees that no provision of the Agreement is subject to review in any court or tribunal outside of the Department.

8. In the event that one or more provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement.

9. Mr. Goldberg acknowledges that entering into this Agreement shall not bar, estop, or otherwise prevent the Superintendent, or any state, federal or local agency or department from taking any other, or additional, action affecting her, or any of her sponsor's 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.

10. This Agreement may not be altered, modified or changed unless in writing and signed by the Superintendent or her designee.

11. This Agreement shall be enforceable and remain in effect until stayed, modified, suspended or terminated in writing by the Superintendent or her designee.

12. This Agreement may be executed in one or more counterparts. The effective

date of this Agreement is the date on which it is executed by the Deputy Superintendent or her designee.

13. 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, NY 10004

14. All written communications to Michael Goldberg regarding this Agreement should be sent as follows.

Attention:

Michael Goldberg
Mortgage Loan Originator
2833 Ford Street, Apt 1B
Brooklyn, NY 11235

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

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

By: _____ /S/ _____
Michael Goldberg
Mortgage Loan Originator

Dated: _____

New York State Department of Financial Services

By: _____ /S/ _____
Rholda L. Ricketts
Deputy Superintendent

Dated: _____