SETTLEMENT AGREEMENT AND CONSENT ORDER

DANNY YEN D/B/A REAL ESTATE EDUCATIONAL SERVICES, WENDY YEN, AND DAT YEN A/K/A PAT YEN
NMLS Approved Course Provider ID # 1405046

WHEREAS, Danny Yen ("Danny Yen") is doing business in California under the fictitious business name of Real Estate Educational Services ("REES"), with his business operations located at 3643 Adams Street, Carlsbad, California 92008. Wendy Yen ("Wendy Yen") is the wife of Danny Yen, and in coordination with her husband directly participates in the REES business. Dat Yen a/k/a Pat Yen is the father of Dany Yen, and in coordination with his son directly participates in the REES business. Danny Yen, Wendy Yen, and Dat Yen will be collectively referred to herein as "Respondents".

WHEREAS, REES was approved by the Nationwide Multistate Licensing System & Registry ("NMLS") to offer education training to mortgage loan originators ("MLO" or "MLOs") and was assigned an NMLS-Approved course provider identifier number of 1405046.

WHEREAS, the States or State Agencies of California-Department of Financial Protection and Innovation ("California"), Maryland, and Oregon (individually, a "Participating State," and collectively, the "Participating States") have each agreed, through its respective state mortgage regulatory agency, to negotiate and enter into this Settlement Agreement and Consent Order (hereinafter referred to as the "Agreement" or "Order").

WHEREAS, the Participating States have authority over individuals engaged in providing education courses and providing banked credit hours for education courses that are required for a state MLO license.

WHEREAS, the state mortgage regulators of the Participating States (hereinafter referred to individually as a "State Mortgage Regulator," and collectively as the "State Mortgage Regulators") are respective members of the Conference of State Bank Supervisors ("CSBS") and the American Association of Residential Mortgage Regulators ("AARMR") and have agreed to address enforcement concerns with Respondents in a collective and coordinated manner, pursuant to their respective statutory authorities, and in accordance with the protocols established by the CSBS/AARMR Nationwide

Cooperative Protocol for Mortgage Supervision as well as the Nationwide Cooperative Agreement for Mortgage Supervision (collectively the "CSBS/AARMR Protocol and Agreement"). The State Mortgage Regulators and Respondents are collectively referred to herein as the "Parties."

WHEREAS, the State Regulatory Registry LLC ("SRR"), a wholly owned subsidiary of CSBS, owns and operates the NMLS. SRR administers pre-licensure ("PE") and continuing education ("CE") and Uniform State Test protocols. Title V of Public Law 110-289, the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (the "SAFE Act"), requires that state-licensed MLOs complete PE prior to initial licensure and annual CE thereafter. In order to meet PE requirements contemplated under the SAFE Act, state-licensed MLOs must complete 20 hours of NMLS-approved education. In order to meet CE requirements contemplated under the SAFE Act, state-licensed MLOs must complete 8 hours of NMLS-approved education. MLOs must complete these requirements themselves.

WHEREAS, the SAFE Act expressly provides that the NMLS shall set the standards for and give approval to all education course providers. Under the authority granted by the SAFE Act to set standards for course approval, the NMLS enacted a Standards of Conduct for Approved Course Providers ("SOC") by which all course providers must abide. As part of the SOC, course providers must satisfy the NMLS Approved Course Data and Document Retention Policy ("Document Retention Policy"). Accordingly, course providers agree to maintain all records relating their NMLS-approved courses for the preceding five years, including executed sign-in sheets and student signed NMLS Rules of Conduct (ROC) Acknowledgements.

WHEREAS, the Mortgage Testing and Education Board ("MTEB"), which was created by SRR, has approved Administrative Action Procedures for S.A.F.E. Testing and Education Requirements and NMLS-Approved course providers ("AAP"), which extends administrative authority to the MTEB to investigate alleged violations of the NMLS Rules of Conduct and the Candidate Test Security and Confidentiality Agreement ("CA"). The AAP also extends administrative authority to the MTEB/SRR to investigate alleged violations of the SOC, which apply to all NMLS-Approved course providers.

WHEREAS, in late 2020, MTEB obtained information about suspicious activity

that identified a possible MLO education fraud scheme coordinated by and implemented through Respondents. Based on that information, and pursuant to the AAP, the Investigative Review Committee ("IRC") approved opening and pursuing an investigation into this matter.

WHEREAS, SRR's IRC issued a memorandum report concerning its investigation into the Respondents' coordinated MLO education fraud scheme. The IRC found that Respondents, by false pretenses, false representations, and through actual fraud, had intentionally and with knowledge of the falsity, provided course credit to MLOs who had allegedly completed an 8-hour in-person CE course in Southern California (the "In-person Education Fraud Scheme"), and that Respondents took online PE and/or CE courses on behalf of numerous MLOs (the "Online Education Fraud Scheme" and collectively with the In-person Fraud Scheme referred to as the "Education Fraud Schemes").

WHEREAS, many of the MLOs that participated in the Education Fraud Schemes coordinated by Respondents are licensed as MLOs under the respective laws of each Participating State.

WHEREAS, based on the initial findings of the IRC, and pursuant to the CSBS/AARMR Protocol and Agreement, this matter was referred from the IRC for further investigation and possible enforcement action, and to which the CSBS Non-Depository Supervisory Committee authorized the creation of a regulator taskforce to coordinate the multi-state investigation and enforcement activity in this matter ("REES Regulatory Taskforce"). Specifically, the REES Regulatory Taskforce adopted the work of the IRC investigation and engaged in additional investigatory work that included requests for documentation and statements from Respondents regarding the facts and circumstances concerning the Education Fraud Schemes.

WHEREAS, the State Mortgage Regulator from California issued and served a Citation and Desist and Refrain Order on January 14, 2022 against Danny Yen based on violations of law occurring as a result of the Education Fraud Schemes (the "California Administrative Action"). The California Administrative Action seeks injunctive relief as well as the imposition of civil monetary penalties. Danny Yen timely filed his request for an administrative hearing to contest the California Administrative Action and the matter is currently set for a five-day trial to begin on February 14, 2022 before the California Office

of Administrative Hearings, Los Angeles ("OAH"), OAH case number 2022010689.

WHEREAS, the State Mortgage Regulator from Maryland issued and served a Summary Order to Cease and Desist and Order to Stop Doing Business with Respondents on January 14, 2022 against Respondents based on violations of law occurring as a result of the Education Fraud Schemes (the "Maryland Administrative Action"). The Maryland Administrative Action seeks injunctive relief as well as the imposition of civil monetary penalties.

WHEREAS, the State Mortgage Regulator from Oregon issued and served a Notice Order on January 14, 2022 against Danny Yen based on violations of law occurring as a result of the Education Fraud Schemes (the "Oregon Administrative Action"). The Oregon Administrative Action seeks injunctive relief as well as the imposition of civil monetary penalties.

WHEREAS, Respondents enter into this Agreement for the purpose of resolving disputes with the State Mortgage Regulators, including concerning the conduct described in this Agreement, and in the California Administrative Action, the Maryland Administrative Action, and the Oregon Administrative Action, and do not contest the wrongdoing and violations of applicable laws, regulations, and/or rules described therein. Respondents acknowledge that the State Mortgage Regulators have and maintain jurisdiction over the underlying dispute, including all matters referred to in these recitals, and therefore have the authority to fully resolve the matter.

WHEREAS, Respondents represent to the State Mortgage Regulators that Respondents will comply with Respondents' obligations under this Agreement, and that Respondents will hereafter continue to comply with all regulatory requirements imposed by each State Mortgage Regulator.

WHEREAS, Respondents acknowledge and agree that the State Mortgage Regulators are relying, in part, upon Respondents' representations and warranties stated herein in making their determinations in this matter. Respondents further acknowledge that this Agreement may be revoked and the State Mortgage Regulators may pursue any and all remedies available under the law against Respondents if the State Mortgage Regulators later find that Respondents knowingly or willfully withheld information from the State Mortgage Regulators.

WHEREAS, the State Mortgage Regulators had legal authority to initiate their respective administrative actions based on the conduct identified by the REES Regulatory Taskforce investigation as described herein.

WHEREAS, Respondents do not contest the following relevant facts, including, but not limited to:

1) That Respondents knowingly and actively coordinated with at least 607 MLOs to implement the Education Fraud Schemes during the relevant time period of 2017 through 2020.
2) That Respondents fraudulently completed PE and CE requirements on behalf of the MLOs in violation of federal and state law under both the In-person Education Fraud Scheme and the Online Education Fraud Scheme;
3) That Respondents received monetary payments from MLOs that were deposited into the Respondents' bank accounts in exchange for Respondents' services in the MLO Education Fraud Schemes. These payments were made to Respondents by various methods including, but not limited to, cash payments, Zelle transfers, Venmo transfers, and checks.
4) That, under the Online Education Fraud Scheme, Respondents fraudulently completed PE and CE courses on behalf of MLOs from their Carlsbad address with an Internet Protocol (IP) address of 76.88.84.139, which the Respondents had leased from Charter Communications during the relevant time period of 2017 through 2020. The MLOs were not physically present at the Carlsbad address and did not take, participate in, or complete the PE and CE courses at or from the Carlsbad address.
5) That, under the In-person Education Fraud Scheme, Respondents gave banked credit hours for course credit corresponding to completion of 8 hours of NMLS-approved education. Respondents falsely and with knowledge and intent to deceive provided credit to MLOs for the REES NMLS-approved course but Respondents did not actually teach the course. At no point did Respondents ever teach the REES NMLS-approved course. Respondents did not require MLOs to attend the course in person. Respondents did not require MLOs to sign ROC Acknowledgements. Respondents did not require MLOs to attend a course in

person for 8 hours of instruction in order to receive course credit. Respondents did not require MLOs to take a graded final exam. Effectively, the MLOs were provided education credit for pay without completing any actual education or coursework. All MLOs that received banked credit hours for the REES NMLS-approved course obtained course credit without having ever attended the class.

6) That Respondents knowingly aided and abetted MLOs in violating the ROC and the CA by participating in the MLO Education Fraud Schemes.

7) That Respondents knowingly aided and abetted the MLOs that participated in the Education Fraud Schemes with violating state and federal laws concerning the completion of certain PE and/or CE requirements, which are mandatory requirements that the MLOs must complete in order to qualify for licensure by the State Mortgage Regulators.

8) That by knowingly and willingly coordinating and implementing the Education Fraud Schemes, Respondents violated the SOC.

9) That Respondents were aided and abetted by Dat "Pat" Yen ("Dat Yen") in the Education Fraud Schemes, including, but not limited to authorizing Dat Yen to collect cash payments from MLOs. Respondents further authorized Dat Yen to provide information to MLOs regarding Respondents' willingness to falsely complete PE and CE courses or falsely provide banked credit hours for payment without requiring the MLOs to actually attend the course offered by Respondents.

WHEREAS, the intention of the State Mortgage Regulators in effecting this settlement is to fully resolve the violations and misconduct described herein pertaining to Respondents' participation in the Education Fraud Schemes, including fully resolving the California Administrative Action, the Maryland Administrative Action, and the Oregon Administrative Action. Respondents further acknowledge and agree that by entering into this settlement with the State Mortgage Regulators the settlement shall have the effect of withdrawing any request for an administrative hearing that Respondents have filed concerning the California Administrative Action, the Maryland Administrative Action, and the Oregon Administrative Action. Respondents further acknowledge their right to an administrative hearing and hereby waive such right to a hearing and to any

reconsideration, appeal, or other rights which may be afforded under California, Maryland, or Oregon law, or any provision of law in connection with this matter.

WHEREAS, The State Mortgage Regulators reserve all of their rights, duties, and authority to enforce all statutes, rules, and regulations under their respective jurisdictions against Respondents regarding any activities outside the scope of PE and CE courses for MLOs. Additionally, a State Mortgage Regulator may consider this Agreement and the facts set forth herein in connection with, and in deciding, any action, or proceeding under the jurisdiction of that State Mortgage Regulator. This Agreement and all statements and evidence provided by Respondents may be admitted into evidence in any judicial or administrative proceeding or matter before a State Mortgage Regulator, if relevant to such proceeding or matter. Moreover, a State Mortgage Regulator is not precluded from taking any action against Respondents for issues separate and apart from Respondents' actions pertaining to the MLO education courses.

WHEREAS, Respondents agree to fully cooperate with any State Mortgage Regulator in any other related investigation involving business entities or individuals not a party to this Agreement, including providing testimony at any administrative or other legal proceeding that may arise. Respondents agree to waive their constitutional rights regarding self-incrimination and any spousal privilege concerning the Education Fraud Schemes. .

WHEREAS, Respondents hereby knowingly, willingly, voluntarily, and irrevocably consent to the entry of this Agreement, which is being entered pursuant to the authority vested in each State Mortgage Regulator and agree that Respondents understand all of the terms and conditions contained herein. Respondents acknowledge that Respondents have full knowledge of Respondents' rights to notice and a hearing pursuant to the laws of the respective Participating States. By voluntarily entering into this Agreement, Respondents waive any right to notice and a hearing, and review of such hearing, and also herein waive all rights to any other judicial appeal concerning the terms, conditions, and related obligations set forth in this Agreement. Respondents further acknowledge that Respondents have had an opportunity to consult with independent legal counsel in connection with Respondents' waiver of rights and with the negotiation and execution of this Agreement, and that Respondents have either consulted with independent legal counsel or have knowingly elected not to do so.

NOW, THEREFORE, this Agreement – incorporating the above recitals in their entirety – having been negotiated by the Parties in order to resolve the issues identified herein, without incurring the costs, inconvenience and delays associated with protracted administrative and judicial proceedings, it is by the State Mortgage Regulators listed below hereby **ORDERED**:

I. JURISDICTION

1. That pursuant to the licensing and supervision laws of the Participating States, the Participating States have jurisdiction over Respondents as described herein and may enforce the terms of this Agreement thereon unless otherwise stated in this Agreement.

II. COOPERATION WITH INVESTIGATIONS

2. *Agreement to cooperate and make factual declarations.* Respondents agree to cooperate with any and all State Mortgage Regulator investigations. Respondents shall provide signed declarations or affidavits reciting the facts relating to their interactions with MLOs, completion of PE and CE courses, and provision of banked credit hours as required by State Mortgage Regulators within 15 calendar days of a request by a State Mortgage Regulator. Additionally, Respondents agree to be deposed as requested by a State Mortgage Regulator and agree to provide complete and straightforward responses regarding their interactions with MLOs, completion of PE and CE courses, and provision of banked credit hours as required by State Mortgage Regulators.

3. *Agreement to testify.* Respondents also agree to testify as witnesses in any judicial or administrative proceeding regarding their interactions with MLOs, completion of PE and CE courses, and the provision of banked credit hours as required by State Mortgage Regulators.

III. CEASATION OF INVOLVEMENT IN EDUCATION COURSES FOR LICENSURE SCHEMES

4. *Bar from Teaching.* Upon the Effective Date of this Agreement, Respondents agree to a lifetime restriction that they will not teach or apply to teach education courses that are required by statute, regulation, rule, or practice subject to the jurisdiction of a settling state

regulator under the SAFE Act or other mortgage related regulatory scheme, including, but not limited to, educational requirements associated with any mortgage lending, brokering, servicing, or origination license, registration, or other authorization to provide such mortgage related services in the respective state.

5. *Employment restrictions.* Respondents agree to a lifetime restriction not to own or act as an instructor proprietor, owner, partner, officer, director, Experienced Person, manager, or occupy a position of similar status for a business or an entity that engages in providing education courses that are required by statute, regulation, rule, or practice subject to the jurisdiction of a settling state regulator under the SAFE Act or other mortgage related regulatory scheme, including, but not limited to, education requirements associated with any mortgage lending, brokering, servicing, or origination license, registration, or other authorization to provide such mortgage related services in the respective state.

6. *Course taking restrictions.* Respondents agree to a lifetime restriction not to take or complete, on behalf of any other person or persons, education courses that are required by statute, regulation, rule, or practice subject to the jurisdiction of a settling state regulator under the SAFE Act or other mortgage related regulatory scheme, including, but not limited to, educational requirements associated with any mortgage lending, brokering, servicing, or origination license, registration, or other authorization to provide such mortgage related services in the respective state.

7. *Applicable provisions.* For purposes of this Agreement, applicable provisions and definitions set forth in the SAFE Act[1], regulations for Participating States to operate a SAFE-compliant program[2], and other laws and regulations of the Participating States will apply accordingly.

IV. ADMINISTRATIVE PENALTY

8. *Civil Monetary Penalties and Costs.* Respondents shall pay, jointly and severally, Civil Monetary Penalties and/or Costs of $75,000 to be divided between the State Mortgage Regulators from California, Maryland, and Oregon ("Penalties"). Respondents shall pay

[1] S.A.F.E. Mortgage Licensing Act of 2008, 12 U.S.C. § 5101.
[2] S.A.F.E. Mortgage Licensing Act – State Compliance and Bureau Registration, 12 CFR Part 1008 (Regulation H).

the Penalties amount before or contemporaneous with the execution of this Agreement in the form designated by each respective State Mortgage Regulator.

V. ENFORCEMENT

9. *General Enforcement Authority.* That the terms of this Agreement shall be enforced in accordance with the provisions, terms and authorities provided in this Agreement and under the respective laws and regulations of each Participating State.

10. *Non-Compliance Penalty.* As the harm to consumers across the Participating States is unknowable if Respondents fail to comply with the Agreement and the Participating States are negotiating applicable fines and penalties with this Agreement, Respondents shall immediately pay, jointly and severally, a Non-Compliance Penalty of $15,000,000, to be distributed equally among the Participating States, if Respondents fail to comply with the terms of this Agreement.

11. *Non-Dischargeability.* Due to the fraudulent nature of the Respondents' actions, Respondents agree that the Non-Compliance Penalty shall not be dischargeable in bankruptcy. Moreover, a declaration of bankruptcy by either or all Respondents shall constitute a breach of the terms of the Agreement. That in the event that Respondents fail to submit any Non-Compliance Penalty as set forth in this Agreement, in the amounts specified herein and in accordance with the applicable deadlines, or if any transfer of any monetary amount required under this Agreement is voided by a Court Order, including a Bankruptcy Court Order, Respondents agree not to object to a Participating State submitting a claim, nor attempt to defend or defeat such authorized claim, for any unpaid amounts against any surety bond that Respondents may maintain in such Participating State.

12. *Information Willfully Withheld.* This Agreement may be revoked, and any State Mortgage Regulator may pursue any and all remedies against Respondents if it is discovered that Respondents knowingly or willfully withheld information or misrepresented information used for and relied upon in this Agreement or in their cooperation with any State Mortgage Regulator investigation concerning MLOs.

13. *No Restriction on Existing Examination and Investigative Authority.* That this Agreement shall in no way preclude any State Mortgage Regulator from exercising its examination or investigative authority authorized under the laws of the corresponding

Participating State in the instance a determination is made wherein Respondents are found not to be adhering to the requirements of the Agreement, other than inadvertent and isolated errors that are promptly corrected by Respondents, or involving any unrelated matter not subject to the terms of this Agreement. The Parties agree that the failure of Respondents to comply with any term or condition of this Agreement with respect to a particular State shall be treated as a violation of an Order of the State and may be enforced as such. Moreover, Respondents acknowledge and agree that this Agreement is only binding on the State Mortgage Regulators as pertains to Respondents' actions relating to MLO education courses. This Agreement does not cover any other Local, State or Federal Agency, Department or Office, nor does it cover any other non-MLO licensing schemes or education courses that may also be under the purview of the State Mortgage Regulators.

VI. GENERAL PROVISIONS

14. *Effective Date.* That this Agreement shall become effective upon execution by all of the State Mortgage Regulators for the Participating States and when posted on the NMLS (the "Effective Date").

15. *Additional Signatories.* That any other state mortgage regulator may join this Agreement after the Effective Date by executing an addendum signatory page that will be incorporated herein. By signing such addendum, that state mortgage regulator agrees to abide by the terms of this Agreement and any other agreements and accommodations negotiated and agreed to by the Participating States. Further, the Respondents agree that the Agreement and terms herein are subject to the jurisdiction of any additional state mortgage regulator to join this Agreement pursuant to this provision.

16. *Public Record.* That this Agreement shall become public upon the Effective Date.

17. *Binding Nature.* The provisions of this Agreement shall remain effective and enforceable except to the extent that, and until such time as, any provisions of this Agreement shall have been modified, terminated, suspended, or set aside, in writing by mutual agreement of the State Mortgage Regulators collectively and Respondents.

18. Attorneys' fees and reimbursement of costs. In the event that a State Mortgage Regulator needs to institute a judicial or administrative action to enforce this Agreement against Respondents and is the prevailing party, Respondents shall pay all attorneys' fees

and costs of the State Mortgage Regulator related to enforcement for the action.

19. *Standing and Choice of Law.* That each State Mortgage Regulator has standing to enforce this Agreement in the judicial or administrative process otherwise authorized under the laws and regulations of the corresponding Participating State. Upon entry, this Agreement shall be deemed a final order of each respective State Mortgage Regulator unless adoption of a subsequent order is necessary under the laws of the corresponding Participating State. In the event of any disagreement between any State Mortgage Regulator and Respondents regarding the enforceability or interpretation of this Agreement and compliance therewith, the courts or administrative agency authorized under the laws of the corresponding Participating State shall have exclusive jurisdiction over the dispute, and the laws of the Participating State shall govern the interpretation, construction, and enforceability of this Agreement.

20. *Adoption of Subsequent Orders to Incorporate Terms.* That a State Mortgage Regulator, if deemed necessary under the laws and regulations of the corresponding Participating State, may issue a separate administrative order to adopt and incorporate the terms and conditions of this Agreement. A State Mortgage Regulator may sua sponte issue such subsequent order without the review and approval of Respondents provided the subsequent order does not amend, alter, or otherwise change the terms of the Agreement. In the event a subsequent order amends, alters, or otherwise changes the terms of the Agreement, the terms of the Agreement, as set forth herein, will control.

21. *Privilege.* That this Agreement shall not constitute a waiver of any applicable attorney-client or work product privilege, confidentiality, or any other protection applicable to any negotiations relative to this Agreement.

22. *Titles.* That the titles used to identify the paragraphs of this Agreement are for the convenience of reference only and do not control the interpretation of this Agreement.

23. *Waiver of Hearing.* In the event that Respondents fail to comply with the Agreement, Respondents waive any right to notice and a hearing, and review of such hearing, and also herein waive all rights to any other judicial appeal concerning the terms, conditions, and related obligations set forth in this Agreement. Respondents acknowledge that Respondents have full knowledge of Respondents' rights to notice and a hearing pursuant to the laws of the respective Participating States and NMLS.

24. *Final Agreement.* That this Agreement is the final written expression and the complete and exclusive statement of all the agreements, conditions, promises, representations, and covenants between the Parties with respect to the subject matter hereof, and supersedes all prior or contemporaneous agreements, negotiations, representations, understandings, and discussions between and among the Parties, their respective representatives, and any other person or entity, with respect to the subject matter covered herein, excepting therefrom any proceeding or action if such proceeding or action is based upon facts not presently known to a State Mortgage Regulator. The Parties further acknowledge and agree that nothing contained in this Agreement shall operate to limit a State Mortgage Regulator's ability to assist any other Local, State or Federal Agency, Department or Office with any investigation or prosecution, whether administrative, civil, or criminal, initiated by any such Agency, Department or Office against Respondents or any other person based upon any of the activities alleged in these matters or otherwise.

25. No Presumption Against Drafter. Each party acknowledges that he or she has had the opportunity to draft, review, and edit the language of the Agreement. Accordingly, the parties intend no presumption for or against the drafting party will apply in construing any part of the Agreement. The parties waive the benefit of California Civil Code section 1654 as amended or corresponding provisions of any successor statute, which provide that in cases of uncertainty, language of a contract should be interpreted most strongly against the party who caused the uncertainty to exist.

26. *Waiver.* That the waiver of any provision of this Agreement shall not operate to waive any other provision set forth herein, and any waiver, amendment and/or change to the terms of this Agreement must be in writing signed by the Parties.

27. *Costs.* That except as otherwise agreed to in this Agreement, each party to this Agreement will bear their own costs and attorneys' fees associated with this enforcement action.

28. *Notices.* That any notice to Respondents and the State Mortgage Regulators required or contemplated by this Agreement shall be delivered, if not otherwise described herein, by certified mail to Respondents at the following address, and to the State Mortgage Regulators by direct written notification:

Mailing Address for Danny Yen

Danny Yen
3643 Adams Street
Carlsbad, CA 92008

Mailing Address for Wendy Yen

Wendy Yen
3643 Adams Street
Carlsbad, CA 92008

Mailing Address for Dat Yen

Dat Yen
c/o Brett E. Bitzer, Esq.
Callahan & Blaine
3 Hutton Centre Drive, Ninth Floor
Santa Ana, California 92707
bbitzer@callahan-law.com

Should Respondents change mailing address, Respondents shall notify the California Department of Financial Protection and Innovation by certified mail within 30 days of the change.

29. *Counterparts.* That this Agreement may be executed in separate counterparts, by facsimile or by PDF. A copy of the signed Agreement will be given the same effect as the originally signed Agreement.

30. *Compliance with State and Federal Law.* That nothing in this Agreement shall relieve Respondents of Respondents' obligation to comply with applicable State and Federal law.

It is so **ORDERED**.

IN WITNESS WHEREOF, in consideration of the foregoing, including the recital paragraphs which are incorporated by reference in their entirety, and with the Parties intending to be legally bound, do hereby execute this Agreement.

Date: 1/31/22 **DANNY YEN**

By: _____
Danny Yen d/b/a Real Estate Educational Services
Individually and on behalf of Real Estate Educational Services

Date: 1/31/22 **WENDY YEN**

By: Wendy Yen
Wendy Yen, Individually

Date: 1/31/22 **DAT YEN**

By:
Dat Yen, Individually

Date: 02/02/2022 **CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION**

By: Mary Ann Smith
Mary Ann Smith
Deputy Commissioner
Enforcement Division

Date: 02/02/2022 **MARYLAND COMMISSIONER OF FINANCIAL REGULATION**

By: Jedd Bellman (Feb 2, 2022 15:49 EST)
Jedd Bellman
Assistant Commissioner

Date: 02/02/2022 **OREGON DEPARTMENT OF CONSUMER AND BUSINESS SERVICES, DIVISION OF FINANCIAL REGULATION**

By: Dorothy Bean (Feb 2, 2022 12:58 PST)
Dorothy Bean
Chief of Enforcement

MEMORANDUM OF UNDERSTANDING

In conjunction with the 2022 Settlement Agreement and Consent Order ("2022 Consent Order") entered into by and between the State Mortgage Regulators (as that term is defined in the 2022 Consent Order), and Danny Yen d/b/a Real Estate Educational Services, Wendy Yen, and Dat Yen a/k/a Pat Yen (collectively, the "Parties"), the Parties also enter into this Memorandum of Understanding ("MOU").

Respondents (as that term is defined in the 2022 Consent Order) enter into this MOU knowingly, voluntarily, willingly, and with the advice of independent legal counsel.

NOW, THEREFORE, it is agreed and understood that Respondents shall take the following actions in furtherance of the terms of paragraph 2 and 3 of the 2022 Consent Order:

1. As of the Effective Date of the 2022 Consent Order and this MOU, the Respondents shall promptly provide any information, documentation, and/or testimony that a State Mortgage Regulator requests in furtherance of any action arising from the Education Fraud Schemes (as that term is defined in the 2022 Consent Order).

2. Further, the Respondents agree to fully participate as witnesses in any judicial or administrative proceeding brought by a State Mortgage Regulator related to the Education Fraud Schemes, and further agree to provide full and complete testimony at that proceeding without asserting any privileges or constitutional rights.

FURTHER, it is agreed and understood that contingent upon the Respondents providing complete, true, and accurate information, documentation, and testimony pursuant to their obligations described in paragraph 2 and 3 of the 2022 Consent Order, it is not the intention of the State Mortgage Regulators to refer this matter, or information, documentation and/or testimony provided by Respondents, to any agency for criminal prosecution. It is also agreed and understood that in complying with this Order, Respondents are relying upon the assurances of said State Mortgage Regulators.

FURTHER, it is agreed to and understood that the terms of this MOU are an agreement and accommodation to the 2022 Consent Order, and to the extent an additional state mortgage regulator joins the 2022 Consent Order pursuant to the terms of paragraph 15 of the 2022 Consent Order, that state mortgage regulator would do so subject to the provisions of this MOU.

FURTHER, each provision of this MOU shall remain in effect and enforceable until stayed, modified, terminated, or suspended, in writing, by the State Mortgage Regulators.

The Parties do hereby accept and agree to the foregoing.

Date: 1/31/22 **DANNY YEN**

By: _____
Danny Yen d/b/a Real Estate Educational Services
Individually and on behalf of Real Estate Educational Services

Date: 1/31/22 **WENDY YEN**

By: _____
Wendy Yen, Individually

Date: 1/31/22 **DAT YEN**

By: _____
Dat Yep, Individually

02/02/2022

Date: _____ **CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION**

By: Mary Ann Smith
Mary Ann Smith
Deputy Commissioner
Enforcement Division

02/02/2022

Date: _____ **MARYLAND COMMISSIONER OF FINANCIAL REGULATION**

By: _____
Jedd Bellman (Feb 2, 2022 15:49 EST)
Jedd Bellman
Assistant Commissioner

02/02/2022

Date: _____ **OREGON DEPARTMENT OF CONSUMER AND BUSINESS SERVICES, DIVISION OF FINANCIAL REGULATION**

By: _____
Dorothy Bean (Feb 2, 2022 12:58 PST)
Dorothy Bean
Chief of Enforcement