

NEW YORK STATE DEPARTMENT  
OF FINANCIAL SERVICES

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In the Matter of

**LMB MORTGAGE SERVICES, INC.**  
**A007389**

**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 LMB Mortgage Services, Inc. ("LMB" or "Registrant") and the New York State Department of Financial Services (the "Department" together with LMB, collectively defined as the "Settling Parties"), evidencing an agreement between the Settling Parties to resolve, without a hearing, the violations of Section 594-b(1) of New York Banking Law ("Banking Law"), cited herein by the Department, upon and subject to the terms and conditions hereof.

**I.**

**RECITALS**

1. LMB headquartered at 6701 Center Drive West, Suite 300, Los Angeles, CA 90045 was granted a registration by the Department on August 23, 2011 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 of Financial Services (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/or any regulation promulgated thereunder.

3. Section 38.8 of the General Regulations of the Banking Board 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.

4. At the time of issuance of the mortgage broker's registration the Registrant was 100% owned by LIM Holdings, Inc, which in turn was 100% owned by Experian Holdings, Inc. Experian plc, as ultimate parent, is the 100% parent of Experian Holdings, Inc.

5. Thereafter, LIM Holdings, Inc. underwent a statutory conversion to LIM Holdings, LLC.

6. On October 23, 2012, LIM Holdings, LLC was acquired by CPL Holdings, LLC.

7. CPL Holdings, LLC is a limited liability company that was organized in the state of Delaware on October 18, 2012 and was formed for the purpose of acquiring LIM Holdings, LLC. By way of ownership, CPL Holdings, LLC is controlled by: Stephen H. Krenzer, Patrick J. Gregory, Vincent J. Lewis, and Jeffrey P. Hughes.

8. As a result of the acquisition, the Registrant is indirectly owned 100% by CPL Holdings, LLC.

9. A review of the Department records disclosed that the Registrant did not receive approval on or prior to October 23, 2012, the date when it started to be controlled by CPL Holdings, LLC.

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

## **II.**

### **SETTLEMENT TERMS AND CONDITIONS**

The Registrant is willing to resolve the violations cited herein 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, the Settling Parties agree, as follows:

1. The Registrant 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 LMB.
2. The Registrant agrees to pay a fine of \$5,000.
3. The Registrant 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. The Registrant 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 LMB's registration to engage in the business of a mortgage broker under Article 12-D of the Banking Law.
2. The Registrant 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 LMB, 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 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 his designee.
5. The effective date of this Agreement is the date on which it is executed by the

Deputy Superintendent or his 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 LMB regarding this Agreement should be sent as follows:

Attention:

Stephen H. Krenzer  
President and Chief Executive Officer  
LMB Mortgage Services, Inc.  
6701 Center Drive West, Suite 300  
Los Angeles, CA 90045

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.

**LMB Mortgage Services, Inc.**

By: \_\_\_\_\_

Stephen H. Krenzer  
President & Chief Executive Officer

Dated: \_\_\_\_\_

**New York State Department of Financial Services**

By: \_\_\_\_\_

Rholda L. Ricketts  
Deputy Superintendent

Dated: \_\_\_\_\_