

NEW YORK STATE DEPARTMENT
OF FINANCIAL SERVICES

-----x
In the Matter of

United Shore Financial Services, LLC
B500989

SETTLEMENT AGREEMENT

A Licensed Mortgage Banker Pursuant to
Article 12-D of the New York Banking Law
-----x

This Settlement Agreement (“Agreement”) is made and entered into by and between United Shore Financial Services, LLC (“United Shore” or “Licensee”) and the New York State Department of Financial Services (the “Department” and collectively with United Shore, the “Parties”) evidencing an agreement between the Parties to resolve, without a hearing, a 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. United Shore, headquartered at 585 South Boulevard E, Pontiac, Michigan, 48341 was granted a license by the Department on August 29, 2012 to engage in business as a mortgage banker pursuant to Article 12-D of the Banking Law.

2. Sections 44 and 598 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 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.

Unauthorized Change of Control

4. By letter dated August 18, 2016, United Shore notified the Department of a proposed change of control of United Shore.

5. On October 20, 2016, the proposed change of control by United Shore became effective.

6. A review of the Department's records disclosed that the aforementioned change of control had not been approved by the Superintendent before it became effective on October 20, 2016.

7. As a result, United Shore 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

IT IS HEREBY UNDERSTOOD AND AGREED by Licensee and all subsidiaries, affiliates, successors, assigns, agents, representatives and employees, that:

1. Licensee is willing to resolve the violations cited herein by entering into this Agreement and freely and voluntarily waives its right to a hearing under Section 44 of the Banking Law and appeal on such violation.

2. Licensee 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; and
- b. ensuring that United Shore obtains the prior approval of the Superintendent for any action that will result in the use a different name or website.

3. Licensee agrees to develop appropriate written compliance policies and procedures (“Compliance Policies and Procedures”) designed to ensure compliance with all applicable federal and state laws, regulations, supervisory requirements and guidance letters. The Compliance 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 United Shore and its employees involved in loan origination understand all applicable federal and state laws, regulations, supervisory requirements and guidance letters.

4. No later than ten (10) days after the effective date of this Agreement, Licensee shall pay a penalty of \$5,000 to the Department. The payment shall be made by wire transfer in accordance with the Department’s payment instructions.

5. Neither Licensee, nor any of its parents, subsidiaries, or 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 its parents, subsidiaries, or affiliates, with regard to any or all of the amount payable pursuant to this Settlement Agreement.

6. Licensee agrees that it will not claim, assert, or apply for a tax deduction or tax credit with regard to any U.S. 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. Licensee acknowledges that its 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 its license to engage in the business of a mortgage banker under Article 12-D of the Banking Law.

2. The Superintendent has agreed to the terms of this Agreement based on the representations made to the Department, or the written materials submitted to the Department, by Licensee – either directly or through its counsel – and the Department’s findings. To the extent that the written representations or written submissions, made by Licensee to the Department – either directly or through its 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, Licensee shall provide all documentation and information necessary for the Department to verify full compliance with this Agreement.

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

5. 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.

6. Licensee 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.

7. 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.

8. Licensee 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 Licensee, or 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.

9. This Agreement may not be altered, modified or changed unless in writing signed on behalf of all parties to this Agreement.

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

11. This Agreement may be executed in one or more counterparts, and shall become effective when such counterparts have been signed by each of the parties hereto and So Ordered by the Superintendent or her designee.

12. All notices, reports, requests, and other communications to any party pursuant to this Agreement shall be in writing and shall be directed as follows:

Attention:

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

13. All written communications to United Shore regarding this Agreement should be sent as follows:

Attention:

Mathew I. Roslin
EVP, Legal Affairs and Special Projects
United Shore Financial Services, LLC
585 South Boulevard E.
Pontiac, MI 48341

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

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

United Shore Financial Services, LLC

By: _____ / S / _____

Mathew Randall Ishbia
President, CEO

Dated: _____

New York State Department of Financial Services

By: _____ / S / _____

Rholda L. Ricketts
Deputy Superintendent

Dated: _____