

NEW YORK STATE DEPARTMENT  
OF FINANCIAL SERVICES

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In the Matter of

**ACADEMY MORTGAGE CORP.**  
**B500945**

**SETTLEMENT**  
**AGREEMENT**

A Licensed Mortgage Banker Pursuant To  
Article 12-D of the New York Banking Law  
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This Settlement Agreement (the "Agreement") is made and entered into by and between Academy Mortgage Corp. ("Academy") and the New York State Department of Financial Services (the "Department," collectively referred to herein as the "Parties") evidencing an agreement between the Settling Parties to resolve, without a hearing, the violations of Article 12-D of the New York Banking Law ("Banking Law") and Section 301 of the New York Business Corporation Law ("Business Corporation Law"), upon and subject to the terms and conditions hereof.

**I.**

**RECITALS**

1. Academy, headquartered at 105 Conklin Street, Farmingdale, NY 11735, was granted a license by the Department on April 28, 2010 to engage in the business of 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 of the State of New York (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 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 Domain Name and Website**

4. Section 591(3) of the Banking Law requires licensees to apply for and receive permission prior to using a specific business address.

5. Additionally, Section 593 of the Banking Law prohibits a mortgage banker from conducting business at a location or in a name other than that shown on its license or branch certificate.

6. Furthermore, pursuant to the Department's June 1, 2000 Industry Letter, the domain name of any website used by a licensee or registrant to conduct mortgage banking or mortgage brokering activity qualifies as a separate business address that must be licensed with the Department.

7. During a review of Academy's Volume of Operations Report ("VOOR"), the Department determined that Academy utilized the domain name and website, [www.bankamc.com](http://www.bankamc.com), to solicit and advertise residential mortgage loan business beginning in 2010.

8. Academy failed to obtain prior authorization from the Department to utilize the domain [www.bankamc.com](http://www.bankamc.com) to conduct New York regulated mortgage business.

9. The Department sent a cease and desist letter to Academy dated January 25, 2019 advising Academy that it must obtain the proper authorization from the Department to use the aforementioned domain name. Academy has since discontinued use of the domain name and website.

10. Accordingly, Academy violated Sections 591(3) and 593 of the Banking Law by using the domain name and website, www.bankamc.com, without prior authorization from the Department.

**Unauthorized Restricted Word Usage**

11. Section 301(a)(5)(B) of the Business Corporation Law prohibits the use of the restricted word or a derivative of the word “bank” without receiving the approval of the Superintendent.

12. Academy failed to request or receive approval from the Superintendent prior to using the restricted word or a derivative of the word “bank” in the domain name www.bankamc.com.

13. Accordingly, by using the word “bank” in its domain name, Academy violated Section 301(a)(5)(B) of the Business Corporation Law.

**II.**

**SETTLEMENT TERMS AND CONDITIONS**

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

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

2. Academy 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. ensuring that Academy obtains the prior approval of the Superintendent of any action that will result in the use a different domain name or website.
3. Academy agrees to pay a fine of \$5,000, as a penalty, to the Department no later than ten (10) days after the effective date of this Agreement.
4. The payment shall be made by wire transfer in accordance with the Department's payment instructions.
5. Neither Academy, 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 Agreement.
6. Academy 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. Academy 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 registration to engage in the business of a mortgage broker under Article 12-D 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 Academy either directly or through its counsel and the Department's findings. To the extent that

the written representations or written submissions, made by Academy 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, Academy shall provide all documentation and information necessary for the Department to verify full compliance with this Agreement.

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

12. 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

13. All written communication to Academy regarding this Agreement should be sent as follows:

Attention:

Vincent Diorio  
President  
Academy Mortgage Corp.  
105 Conklin Street  
Farmingdale, NY 11735

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

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

**Academy Mortgage Corp.**

By: \_\_\_\_\_ / S / \_\_\_\_\_

Vincent Diorio  
President

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

**New York State Department of Financial Services**

By: \_\_\_\_\_ / S / \_\_\_\_\_

Rholda L. Ricketts  
Deputy Superintendent

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