

NEW YORK STATE DEPARTMENT
OF FINANCIAL SERVICES

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In the Matter of

JTM FINANCIAL SERVICES, INC.
A004467
A Registered Mortgage Broker Pursuant to
Article 12-D of the New York Banking Law

SETTLEMENT AGREEMENT

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This Settlement Agreement ("Agreement") is made and entered into by and between JTM Financial Services, Inc. ("JTM" or "Registrant") and the New York State Department of Financial Services (the "Department") (collectively, the "Settling Parties") evidencing an agreement between the Settling Parties to resolve, without a hearing, the 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. JTM, headquartered at 19 Stony Hill Road, Bethel, CT 06801, was granted a registration by the Department on December 10, 1997 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 licensed mortgage broker 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 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 time of issuance of the mortgage broker's registration, JTM was 100% owned by Mr. Jay T. McGorty.
5. In July 2010, Mr. McGorty transferred 100% ownership of JTM to Mrs. Mary Ellen McGorty.
6. On July 22, 2010, Mrs. Mary Ellen McGorty changed the ownership on the Nationwide Mortgage

Licensing System & Registry. However, a change of control application was not submitted to the Department to effectively register the new owner.

7. During an examination conducted as of December 31, 2013, it was noted that Mary Ellen McGorty was the sole owner of JTM.

8. A review of Department records disclosed that the Department was never notified of the 100% transfer of ownership to Mary Ellen McGorty.

9. As a result, the Registrant is in violation of 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 the business of a registrant.

10. JTM thereafter applied for a change of control on behalf of Mrs. McGorty on December 8, 2014.

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 on such violations under Banking Law Sections 44 and 598. 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 JTM.

2. The Registrant agrees to pay a fine of \$5,000 payable in ten (10) monthly installments as follows:

- \$500 upon execution of this Agreement, and
- \$500 each on or before the 15th day of each consecutive month for the following nine (9) months.

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 the Registrant's failure to comply with any of the settlement terms and conditions of this Agreement may result in the Department taking action to revoke JTM's registration to engage in the business of a mortgage broker.

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 JTM, 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 her 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 JTM regarding this Agreement should be sent as follows:

Attention:

Jay T. McGorty
President
JTM Financial Services, Inc.
19 Stony Hill Road,
Bethel, CT 06801

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

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

JTM Financial Services, Inc.

By: _____

Jay T. McGorty
President

Dated: _____

New York State Department of Financial Services

By: _____

Rholda L. Ricketts
Deputy Superintendent

Dated: _____