

NEW YORK STATE DEPARTMENT  
OF FINANCIAL SERVICES

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In the Matter of

**THE MONEY SOURCE INC.**  
**B500814**

**SETTLEMENT AGREEMENT**

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

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This Settlement Agreement (“Agreement”) is made and entered into by and between The Money Source Inc. (“TMS”) and the New York State Department of Financial Services (the “Department,” and collectively with TMS, the “Settling Parties”) evidencing an agreement between the Settling Parties to resolve, without a hearing, the violations cited herein of Article 12-D of the New York Banking Law (“Banking Law” or “BL”) and Part 38 of the General Regulations of the Superintendent (“GRS”).

**I.**

**RECITALS**

1. TMS, headquartered at 135 Maxess Road, Melville, NY 11747, was licensed by the Department as a mortgage banker on May 12, 2005, pursuant to Article 12-D of the Banking Law.
2. BL Sections 44 and 598 provide, in part, that 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. GRS Section 38.8 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 Assumed Name**

1. Based on the Department's examination of TMS as of December 31, 2013 (the "2013 Examination"), the Department found that TMS conducted New York regulated mortgage loan activities under the unauthorized assumed name "Endeavor America Loan Services."

2. Accordingly, TMS violated BL Sections 591 and 593, which require a mortgage banker to be licensed under its full name.

### **Unauthorized Domain Name**

3. BL Section 591(3) requires mortgage banker licensees to apply for and receive Department authorization prior to using a specific business address.

4. Pursuant to the Department's June 1, 2000 Industry Letter "Re: Recording Domain Names," the domain name of any website used by a licensee to conduct mortgage banking activity is a business address for purposes of the requirements of BL Section 591(3).

5. Based on the 2013 Examination, the Department found that during a period including August 2013, TMS used, without authorization, the domain name and website themoneysource.com to solicit and promote mortgage loans relating to properties in New York State. (A sample printout from the themoneysource.com website is annexed as Exhibit A.)

6. Accordingly, TMS violated BL Section 591(3).

7. TMS subsequently applied to use, and the Department granted to TMS approval to use, the domain name themoneysource.com.

### **Failure to Include Required New York Legend**

8. GRS Section 38.2(a) states that no “mortgage banker shall advertise its business in New York without including the legend ‘Licensed Mortgage Banker-NYS Department of Financial Services’ or words to like effect therein.”

9. Based on the 2013 Examination, the Department found that advertising prints of TMS failed to include the required legend or words to like effect.

10. Accordingly, TMS violated GRS Section 38.2(a).

11. TMS currently includes the legend “Licensed Mortgage Banker - NYS Department of Financial Services License # B500814” in its advertising prints, in accordance with GRS Section 38.2(a).

## **II.**

### **SETTLEMENT TERMS AND CONDITIONS**

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

1. TMS 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 BL Article 12-D and GRS Part 38; and

- b. Ensuring that TMS does not conduct or transact New York regulated mortgage business using any website, domain or other name that has not been approved by the Superintendent.
2. TMS agrees to regularly review and update its written advertisement and compliance policies and procedures (collectively, "Compliance Policies and Procedures") designed to ensure compliance with all applicable federal and state laws, regulations, supervisory requirements and guidance letters, and to provide copies thereof to the Department whenever requested. 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 TMS and its employees involved in loan origination understand all applicable federal and state laws, regulations, supervisory requirements and guidance letters.
3. Within thirty (30) days of the receipt of non-objection or any comments from the Department with respect to the draft version of TMS's Compliance Policies and Procedures that is currently under review by the Department, and after incorporation and adoption of all comments, TMS agrees to submit a copy of its final Compliance Policies and Procedures to the Department together with a letter from an authorized officer of TMS indicating his/her approval of such Compliance Policies and Procedures.
4. TMS agrees to pay a fine of \$25,000.
5. TMS 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. TMS 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 TMS's license to engage in the business of a mortgage banker under Article 12-D of the Banking Law.

2. TMS 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 TMS, 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 or matters whether related or not to such violations.

3. This Agreement may not be altered, modified or changed unless in writing signed by the Superintendent or her designee.

4. This Agreement shall be enforceable and remain in effect unless stayed or terminated in writing by the Superintendent or her designee.

5. The effective date of this agreement is the date on which it is executed by the Deputy Superintendent.

6. All written communications to the Department regarding this Agreement shall be sent as follows.

Attention:

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

7. All written communications to TMS regarding this Agreement shall be sent as follows.

Attention:

Stavros Papastavrou  
Chairman of the Board  
The Money Source Inc.  
135 Maxess Road  
Melville, NY 11747

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

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

**The Money Source Inc.**

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

Stavros Papastavrou  
Chairman of the Board

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

**New York State Department of  
Financial Services**

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

Rholda L. Ricketts  
Deputy Superintendent

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