

NEW YORK STATE DEPARTMENT
OF FINANCIAL SERVICES

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In the Matter of

LIVE WELL FINANCIAL, INC.
B500977

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 Live Well Financial, Inc. (“LWF”) and the New York State Department of Financial Services (the “Department,” and collectively with LWF, 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”).

I.

RECITALS

1. LWF, headquartered at 1011 Boulder Springs Drive, Suite 420, Richmond, VA 23225, was licensed by the Department as a mortgage banker on December 20, 2011, pursuant to Article 12-D of the Banking Law.

2. Sections 44 and 598 of the Banking Law 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. 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 1, 2016, LWF's attorney notified the Department of a proposed change in the direct ownership of LWF and provided pre- and post-transaction organization charts reflecting the existing and post consummation ownership structure of LWF.

5. During the Department's review of the pre-transaction organization chart ("Chart"), the Department identified a prior change in LWF's ownership structure that had not been approved by the Superintendent.

6. Specifically, the Chart listed LWFVest, LLC as one of the direct owners of LWF. In addition, VTEN Investment LLC and various other investors were listed as indirect owners of LWF.

7. Additionally, the Chart listed trustees for trusts that were not previously vetted by the Department.

8. A review of the Department's records disclosed that the Department never approved the aforementioned entities and individual to directly or indirectly acquire control of LWF.

9. Accordingly, LWF violated Section 594-b(1) of the Banking Law, which requires a licensee to receive 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

LWF is willing to resolve the violation 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 on such violation. Therefore, in consideration of the promises and covenants set forth herein:

1. LWF 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 LWF obtains the prior approval of the Superintendent for any action that will result in a change of control of LWF.

2. LWF 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 LWF and its employees involved in loan origination understand all applicable federal and state laws, regulations, supervisory requirements and guidance letters.

3. LWF agrees to pay a fine of \$5,000.

4. LWF 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. LWF 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 LWF's license to engage in the business of a mortgage banker under Article 12-D of the Banking Law.

2. LWF 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 LWF, any of its current or former owners, officers, directors, employees, or insiders, or their successors or assigns with respect to the violation cited herein, or any other matter or matters whether related or not to such violation.

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 LWF regarding this Agreement shall be sent as follows.

Attention:

Michael C. Hild
President
Live Well Financial, Inc.
1011 Boulder Springs Drive, Suite 420
Richmond, VA 23225

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.

Live Well Financial, Inc.

By: _____/s/_____

Michael C. Hild
President

Dated: _____

New York State Department of Financial Services

By: _____/s/_____

Rholda L. Ricketts
Deputy Superintendent

Dated: _____