

New York State Department
of Financial Services

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In the Matter of

CIRCLE MORTGAGE CORPORATION
A004546

SETTLEMENT AGREEMENT

A Registered Mortgage Broker Pursuant To
Article XII-D of the New York Banking Law

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This Settlement Agreement (“Agreement”) is made and entered into by and between Circle Mortgage Corporation (“Circle Mortgage”) and the New York State Department of Financial Services (the “Department” collectively, with Circle Mortgage, the “Parties”) to address, the violations of Article 12-D of the New York Banking Law (“Banking Law”) and Part 38 of the Superintendent’s Regulations.

I.

RECITALS

1. Circle Mortgage, headquartered at 500 Mamaroneck Avenue, Suite 320, Harrison, NY 10528-1600, was granted a registration by the Department on June 18, 1998 to engage in business as a mortgage broker pursuant to Article 12-D of the Banking Law.

2. Section 44 and 598 of the Banking Law provides, in part, that the Superintendent may, in a proceeding after notice and a hearing, require a registered mortgage broker 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 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.

Unauthorized Domain Name

4. Pursuant to the Department's June 1, 2000 industry letter, the domain name of any website used by a licensee or a registrant to conduct mortgage banking or brokering activity qualifies as a separate business address that must be registered with the Department.

5. Circle Mortgage used the domain name and website www.circlemortgagegroup.com, to solicit residential mortgages prior to receiving authorization from the Department to do so.

6. Accordingly, Circle Mortgage violated Section 591-a (2) of the Banking Law, which requires registrants, to apply for and receive permission prior to using a specific business address.

Unauthorized Location

7. In the normal course of its supervisory efforts, on June 30, 2015, the Department conducted an examination of Circle Mortgage related to New York properties.

8. As a result of the examination, the Department determined that Circle Mortgage was conducting mortgage business from an unregistered physical location at 2000 Linwood Avenue, #22C, Fort Lee, New Jersey 07024, while 500 Mamaroneck Avenue, Suite 320, Harrison, NY 10528 is the business location registered with the Department.

9. Circle Mortgage failed to obtain authorization from the Department to conduct mortgage loan activities at 2000 Linwood Avenue, #22C, Fort Lee, New Jersey 07024.

10. Accordingly, Circle Mortgage violated Section 591(a) (2) of the New York

Banking Law, which requires registrants to apply for authority to open and maintain a branch office.

II

SETTLEMENT TERMS AND CONDITIONS

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

1. Circle Mortgage 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. a complying with the requirements of Article 12-D of the Banking Law, and 3 NYCRR Part 38 of the General Regulations;
- b. not conducting or transacting regulated mortgage business in New York state under any assumed name or designation using any website, domain, or other name that has not been registered with the Superintendent;
- c. not conducting or transacting mortgage loan activities at any location that has not been authorized by the Superintendent; and
- d. ensuring that it will provide appropriate training for its employees regarding the utilization or establishment of a change in location.

2. Circle Mortgage agrees to develop appropriate written compliance policies and procedures designed to ensure compliance with all applicable federal and state laws, regulations, supervisory requirements and guidelines. The 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 Circle Mortgage and its employees involved in establishing new locations and utilizing new assumed names understand all applicable federal and state laws, regulations, supervisory requirements and guidance letters.

3. Circle Mortgage agrees to pay a fine of \$7,500 payable in ten (10) equal monthly installments as follows:

- \$750 upon execution of this Agreement
- \$750 each on or before the 15th day of immediately following nine (9) months.

4. Circle Mortgage 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. Circle Mortgage 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 Circle Mortgage's registration to engage in the business of a mortgage broker under Article 12-D of the Banking Law.

2. Circle Mortgage 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 Circle Mortgage, 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 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

6. 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, New York 10004

7. All written communications to Circle Mortgage regarding this Agreement should be sent as follows.

Attention:

Dale Siegel
President
Circle Mortgage Corporation
500 Mamaroneck Avenue
Suite 320, Room 32
Harrison, NY 10528-1600

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

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

Circle Mortgage Corporation

By: _____ / s / _____

Dale Siegel
President

Dated: _____

New York State Department of Financial Services

By: _____ / s / _____

Rholda L. Ricketts
Deputy Superintendent

Dated: _____