

New York State
Department of Financial Services

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In the Matter of

VOYAGE FINANCIAL GROUP, INC.
A007345

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 Voyage Financial Group, Inc. ("Voyage") 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 violations of Part 38 of the General Regulations of the Banking Board (the "General Regulations"), New York Banking Law ("Banking Law") Article 12-D, New York Business Corporation Law ("BCL") Section 301, and New York General Business Law ("GBL") Article 9-B Section 130, cited herein by the Department, upon and subject to the terms and conditions hereof.

I.

RECITALS

1. Voyage, headquartered at 10304 Placer Lane, Sacramento, California 95827, was granted a registration by the Department on December 8, 2009 to engage in the business of a mortgage broker pursuant to Article XII-D of the Banking Law.

2. Section 44 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 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 Names

4. Voyage published advertisements for New York residential mortgage loans on www.nycmortgage.com, an unaffiliated website, from September 2010 to December 2010. A sample of the advertisement is annexed as Exhibit A.

5. Voyage published advertisements for New York residential mortgage loans on its website, www.voyagehomeloans.com from July 2009 to March 2011. A sample of the advertisement is annexed as Exhibit B.

6. Voyage failed to obtain authorization from the Department to utilize either a domain name or website to conduct New York regulated residential mortgage activities.

7. 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 business address.

8. Therefore, the Department views an unauthorized domain name as an unauthorized business address, and the unauthorized domain names

www.nycmortgage.com and www.voyagehomeloans.com are unauthorized business addresses.

9. The use of an unauthorized location by Voyage is a violation of Section 591-a(2) of the Banking Law.

10. Accordingly, Voyage violated Article 12-D Section 591-a(2) of the Banking Law, which requires registrants to apply for and receive permission prior to using a specific business address.

Misleading Usage of VA Seal

11. The voyagehomeloans.com website displayed the seal of the Department of Veteran Affairs (“VA”).

12. By displaying the VA seal, the products and services of Voyage appear to be sponsored, approved, or endorsed by the VA, when in fact, they are not.

13. Accordingly, the website violated General Regulations Section 38.2(e), which provides that no mortgage broker shall fraudulently or deceitfully advertise a mortgage loan, or misrepresent the terms, conditions or charges incident to a mortgage loan in any advertisement therefor.

Unauthorized Usage of Assumed Name

14. On December 8, 2009, the Department issued a certificate to Voyage under the name Voyage Financial Group, Inc.

15. The www.voyagehomeloans.com website failed to state the approved name of the registered mortgage broker, which is “Voyage Financial Group, Inc.”

16. The website used the name Voyage Home Loans to promote New York residential mortgage business. However, Voyage has not requested or received approval

from the Department to use the name Voyage Home Loans.

17. Accordingly, Voyage violated Article 12-D Section 593-a(1) of the Banking Law which provides that a registrant must utilize its name as it appears on the certificate.

18. In addition, Voyage violated General Regulations Section 38.2(b) which provides that any advertisement by a mortgage broker must indicate the name of the entity.

19. Furthermore, Voyage violated GBL Section 130(1)(b) which provides that no one shall carry on or conduct or transact business in this state under any name or designation other than his or its real name unless such person files a Certificate of Assumed Name with the New York Secretary of State.

Unauthorized Usage of Restricted Word

20. Voyage utilized the word “loans” in the name “Voyage Home Loans” to promote New York residential mortgages.

21. Voyage failed to request or receive approval from the Department to use the restricted word or a derivative of the word “loan”.

22. Accordingly, Voyage violated BCL Section 301(a)(5)(B), which prohibits the use of the word or a derivative of the word “loan” in the name of a corporation without receiving approval from the Superintendent.

23. In addition, Voyage violated GBL Section 130(2)(c), which provides that no corporation shall use any name to conduct business in New York without having obtained necessary consents or approvals which would permit the use of the word(s) pursuant to such laws.

Other Terms and Disclosures

24. Voyage promoted “Get approved in 15min” in its advertisement published in www.nycmortgage.com.

25. The phrase “Get approved in 15min” represents directly and by implication that Voyage can underwrite and approve a mortgage loan within 15 minutes. This is viewed as equivalent to the immediate approval of a loan application. Prudent underwriting requires a lender to diligently verify and document a borrower’s income and ability to repay.

26. As such, Voyage’s advertisement in www.nycmortgage.com violates General Regulations Section 38.2(e)(1), which provides that an advertisement shall be deemed fraudulent, deceitful or misleading if it provides “immediate approval” of a loan application.

27. Voyage is a New York registered mortgage broker, and cannot fund New York mortgage loans.

28. The www.voyagehomeloans.com website stated that “Voyage Home Loans is a licensed mortgage lender”.

29. The statement “Voyage Home Loans is a licensed mortgage lender” represents directly and by implication that Voyage can fund a New York residential mortgage loan.

30. Accordingly, Voyage violated General Regulations Section 38.2(d), which provides that no advertisement by a mortgage broker shall contain language which indicates or suggests that the mortgage broker will fund a mortgage loan.

31. Both websites failed to include a statement to the effect that the mortgage broker arranges mortgage loans with third party providers.

32. Accordingly, Voyage violated General Regulations Section 38.2(d), which also

provides that any advertisement by a mortgage broker must contain a statement to the effect that the mortgage broker arranges mortgage loans with third-party providers.

33. Both websites failed to include the legend “Registered Mortgage Broker-NYS Banking Department.”

34. Accordingly, Voyage violated General Regulations Section 38.2(a), which provides that no mortgage broker shall advertise its business in New York without including the legend “Registered Mortgage Broker - NYS Banking Department” or words to like effect.

35. Voyage’s advertisement in www.nycmortgage.com failed to state Voyage’s office address.

36. Accordingly, Voyage violated General Regulations Section 38.2(b) which provides that any advertisement by a mortgage broker in print or electronic media must indicate a New York address, or if the entity is not located in New York State, the street address of any one office outside New York.

II

SETTLEMENT TERMS AND CONDITIONS

Without admitting or denying the Department’s findings, Voyage is willing to resolve the violations cited herein 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. Voyage 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. not conducting or transacting business in this state under any assumed name or designation using any website, domain, or other name that has not been approved by the Superintendent or using the word “loan” in its name without prior approval by the Superintendent; and
- c. ensuring that it does not advertise immediate approval of loans, including by words such as “get approved in 15min” or “approval in minutes”; and
- d. ensuring that its advertisements do not mislead consumers as to the terms and conditions of credit it is offering and that such advertisements disclose clearly and conspicuously the existence of material terms, conditions, and limitations relating to any advertised offer of credit; and
- e. ensuring that it will not advertise terms of credit using footnotes, asterisks, small print and color contrasts that materially contradict or modify the principal message of its advertisements, and will disclose clearly and conspicuously all material information.

2. Voyage agrees to develop appropriate written advertisement policies and procedures designed to ensure compliance with all applicable federal and state laws, regulations, supervisory requirements and guidance letters. 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 Voyage and its employees

involved in preparing or approving advertisements understand all applicable federal and state laws, regulations, supervisory requirements and guidance letters.

3. Within ninety (90) days from the effective date of this Agreement, Voyage agrees to submit a draft of its advertisement policies and procedures to the Department.

4. Within one hundred twenty (120) days from the effective date of this Agreement, Voyage agrees to submit a copy of its final advertisement policies and procedures to the Department together with a letter from an authorized officer of Voyage indicating his/her approval of such policies and procedures.

5. Voyage further agrees to provide copies of all advertisements run by it for the twelve (12) month period following the effective date of this Agreement.

6. Voyage agrees to pay a fine of \$ 7,500.

7. Voyage 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 Settling Parties acknowledge that Voyage's failure to comply with any of the settlement terms and conditions of this Agreement may result in the Department taking action to revoke Voyage's registration to engage in the business of a mortgage broker under Article 12-D of the Banking Law.

2. The Settling Parties acknowledge 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 Voyage,

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 Voyage regarding this Agreement should be sent as follows.

Attention:

William Paul Ueckert, II,
President
Voyage Financial Group, Inc.
10304 Placer Lane
Sacramento, CA 95827

With copy to:

Asher Fensterheim PLLC
660 White Plains Road, Suite 520
Tarrytown, NY 10591

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.

By: _____

William Paul Ueckert, II
President
Voyage Financial Group, Inc.

Dated: _____

By: _____

Rholda L. Ricketts
Deputy Superintendent
New York State Department of Financial Services

Dated: _____