

New York State
Department of Financial Services

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In the Matter of

**FORTE MORTGAGE, IN LIEU OF
NATIONAL FUTURE MORTGAGE, INC.
B500787**

SETTLEMENT AGREEMENT

A Licensed Mortgage Banker 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 Forte Mortgage, in lieu of National Future Mortgage, Inc. ("Forte" or "Licensee") and the New York State Department of Financial Services (the "Department" together with Forte, collectively defined as the "Settling Parties"), evidencing an agreement between the Settling Parties to resolve, without a hearing, the violations of Section 101.1(c)(1) of Supervisory Procedure MB 101, and Section 1301(a) of the New York Business Corporation Law ("Business Corporation Law"), cited herein by the Department, upon and subject to the terms and conditions hereof.

I.

RECITALS

1. Forte Mortgage, was incorporated under the laws of New Jersey and is headquartered at 2 Eastwick Drive, Suite 300, Gibbsboro, NJ 08026, was granted a license by the Department on June 14, 2005 to engage in the business of a mortgage banker pursuant to Article 12-D of the New York Banking Law ("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 banker to pay to the people of this State a penalty for a violation of the Banking Law and any regulation promulgated there under.

3. Section 38.8 of the General Regulations of the Banking Board 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.

4. Forte received authority granted by the Secretary of State to engage in business in New York as a foreign corporation on November 19, 2003.

5. During a review of Forte's status, the Department noted that Forte's authority to do business in New York was terminated by proclamation on October 27, 2010.

6. On August 5, 2011, the Department notified the Licensee that as a result of the termination of Forte's corporate authority, it no longer had authority to do business in this State, and, therefore the Department no longer considered Forte a licensed mortgage banker.

7. The Department's Volume of Operations Report and Forte's application log indicates that Forte conducted mortgage activities in connection with properties located in New York from 2010 to 2011.

8. As a result, the Licensee violated Section 1301(a) of the Business Corporation Law which states that a foreign corporation shall not do business in this state unless it is authorized to do so.

9. Furthermore, the Licensee failed to notify the Department of the termination of its corporate authority in New York in violation of Section 101.1(c) (1) of Supervisory Procedure MB 101, pursuant to which, the licensee certified that the Superintendent will be promptly

advised of any changes which may occur in the information furnished in the application subsequent to the date upon which the information was furnished.

10. Subsequently, Forte's authority to conduct NY business was reinstated effective September 19, 2011.

II.

SETTLEMENT TERMS AND CONDITIONS

The Licensee 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, the Settling Parties agree, as follows:

1. The Licensee 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.

2. The Licensee agrees to pay a fine of \$2,500 in five monthly installments, with the first installment of \$500 due upon execution of this Agreement. The remaining four payments of \$500 are due by the 15th of each successive month until the fine is fully paid.

3. The Licensee further agrees that such payment will be made in immediately available funds in accordance with the Department's payment instructions. Failure to make timely payments on any of the installments shall result in immediate revocation of Forte's license.

III.

MISCELLANEOUS TERMS AND CONDITIONS

1. The Settling Parties acknowledge that the Licensee's failure to comply with any of the settlement terms and conditions of this Agreement may result in the Department taking action to revoke Forte's license to engage in the business of a mortgage banker 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 Forte, 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 Forte regarding this Agreement should be sent as follows:

Attention:

Richard J. Forte
President
2 Eastwick Drive, Suite 300
Gibbsboro, NJ 08026

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.

**Forte Mortgage in lieu of
National Future Mortgage, Inc.**

By: _____

Richard J. Forte
President

Dated: _____

New York State Department of Financial Services

By: _____

Rholda L. Ricketts
Deputy Superintendent

Dated: _____