

NEW YORK STATE DEPARTMENT  
OF FINANCIAL SERVICES

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In the Matter of

**ALLNET GROUP, INC.**  
A Registered Mortgage Broker  
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**SETTLEMENT AGREEMENT**

This Settlement Agreement ("Agreement") is made and entered into by and between Allnet Group, Inc. ("Allnet", "Registrant") 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 Section 102.1(c)(1) of Supervisory Procedure MB 102 and Section 1005(a)(1) of the New York Business Corporation Law ("Business Corporation Law").

**I.**

**RECITALS**

1. Allnet, headquartered at One Dupont Street, Suite 109, Plainview, NY 11803, was granted a registration by the Department on October 12, 1995 to engage in the business of a mortgage broker pursuant to Article XII-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 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 of the Banking Board 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.

4. Allnet was incorporated under the laws of the State of New York as a domestic corporation on October 17, 1994.

5. As part of the Nationwide Mortgage License System & Registry (NMLS) renewal process, the Department reviewed the New York Department of State's ("Department of State") records and noted that

Allnet's corporate status was dissolved by proclamation on July 29, 2009.

6. Allnet's Volume of Operations Report indicates that Allnet conducted New York mortgage activities without a valid corporate existence in New York.

7. Allnet's failure to notify the Department of the dissolution resulted in the company maintaining an active registration and remaining on the Roll of Registered Mortgage brokers.

8. As a result, the Registrant violated Section 1005(a)(1) of the Business Corporation Law, which states that after dissolution the corporation shall carry no business except for the purpose of winding up its affairs.

9. Additionally, the Registrant failed to notify the Department of its corporate dissolution in violation of Supervisory Procedure MB 102.1(c)(1), which requires registrants to promptly notify the Superintendent of any changes which occur in the information furnished in the application subsequent to the date upon which the information was furnished.

## **II.**

### **SETTLEMENT TERMS AND CONDITIONS**

Allnet is willing to resolve the violation 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 Registrant 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 Registrant agrees to pay a fine of \$5,000 in ten monthly installments, with the first installment of \$500 due upon execution of this Agreement. The remaining nine payments of \$500 are due by the 15<sup>th</sup> of each successive month the fine is fully paid.

3. The Registrant 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. Allnet 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 Allnet's registration to engage in the business of a mortgage broker.

2. Allnet 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 Allnet, 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 Allnet regarding this Agreement should be sent as follows:

Attention:

Kenneth M. Longo  
President  
Allnet Group, Inc.  
One Dupont Street, Suite 109  
Plainview, NY 11803

8. This Agreement is not confidential; the Settling Parties understand that it may be made available to the public.

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

**Allnet Group, Inc.**

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

Kenneth M. Longo  
President

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

**New York State Department of Financial Services**

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

Rholda L. Ricketts  
Deputy Superintendent

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