

NEW YORK STATE DEPARTMENT  
OF FINANCIAL SERVICES

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In the Matter of

**Northeast Processing, LLC**

A Mortgage Broker registered pursuant to Article 12-D  
of the Banking Law

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(Registrant)  
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**SETTLEMENT AGREEMENT**

This Settlement Agreement ("Agreement") is made and entered into by and between Northeast Processing, LLC ("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 violation of Section 597 of the New York Banking Law, and Part 410.8(b) of the Superintendent's Regulations.

WHEREAS, Northeast Processing, LLC ("Registrant") is a registered mortgage broker in the State of New York, headquartered at 16 Rosio Lane, Modena, NY 12548 5220; and

WHEREAS, pursuant to Section 597 of the Banking Law and Part 410.8(b) of the Superintendent's Regulations, Registrant is required to annually file a report with the Superintendent giving such information as the Superintendent may require concerning the business and operations of Registrant during the preceding calendar year; and

WHEREAS, on January 16, 2013, the Department notified Registrant by mail to complete a Volume of Operations Report ("VOOR") for the calendar year 2012 and submit no later than April 19, 2013; and

WHEREAS, on April 1, 2013, the Department notified Registrant, via the website, as a reminder, that the 2012 VOOR must be submitted no later than April 19, 2013; and

WHEREAS, on April 25, 2013, the Department notified Registrant, by certified mail-returned receipt requested, that: (i) Registrant failed to file the 2012 VOOR in violation of Section 597 of the Banking Law and Part 410.8(b) of the Superintendent's Regulations; (ii) Registrant was directed to file its 2012 VOOR by May 17, 2013, using the enclosed prefilled 2012 VOOR form; (iii) the Department would levy a fine of \$200 for every day after April 19, 2013 that the registrant failed to file a 2012 VOOR; (iv) failure to file by May 17, 2013 would result in a fine of \$500 per day for every day after May 17, 2013, that the registrant failed to submit the 2012 VOOR; and (v) a hearing would be scheduled to determine whether their registration should be revoked; and

WHEREAS, the Department of Financial Services received Registrant's 2012 VOOR on **March 12, 2014**; and

WHEREAS, the Superintendent and the Registrant mutually agree to resolve the aforementioned violation as stipulated below.

NOW, THEREFORE IT IS STIPULATED AND AGREED BY THE PARTIES HERETO AS FOLLOWS:

**THAT**, Registrant agrees as follows:

1. Registrant understands the terms and conditions of the Settlement Agreement, freely and voluntarily waives its right to a hearing on the charges made and any and all appeal relating to this matter.
2. Registrant will take all necessary steps to ensure compliance with all applicable laws and regulations.
3. Registrant agrees to the payment of a fine in the amount of **\$5,000** in twelve equal installments, with the exception of the first installment payment which shall be in the amount of **\$435** due by the close of business May 9, 2014. The remaining installment payments of **\$415** are to be received by the 9<sup>th</sup> of each month until the fine is fully paid. The installments shall be made in electronic transfers, in immediately available funds, pursuant to transfer instructions received from the Department of Financial Services. Failure to make timely payment on any of the installments shall result in immediate revocation of Registrant's registration.
4. All written communication to the Department regarding this Settlement Agreement shall be sent to:

Rholda L. Ricketts  
Deputy Superintendent  
New York State Department of Financial Services  
One State Street  
New York, NY 10004

5. All written communication to the Registrant regarding this Settlement Agreement shall be sent to:

Kathy Kagan  
Northeast Processing, LLC  
16 Rosio Lane  
Modena, NY 12548 5220

6. The provisions of this Settlement Agreement shall not bar, estop or otherwise prevent the Superintendent, or any state or federal agency or department, from taking any other action affecting Registrant, any of its current or former officers, directors, employees, or insiders, or their successors or assigns in connection with any matter relating to this Settlement Agreement. Nor shall this Agreement bar, estop or otherwise prevent the Superintendent from entering any other action affecting Registrant, any of its current or former officers, directors, employees, or insiders, or their successors or assigns in connection with any matters not covered by this Agreement.
7. No extension or waiver of the terms of this Settlement Agreement shall be binding on the Department unless it is in writing and signed by the Superintendent or Deputy Superintendent.
8. Each provision of this Settlement Agreement shall remain effective and enforceable until stayed, modified, terminated or suspended in writing by the Superintendent or Deputy Superintendent.

9. The effective date of this Settlement Agreement is the date on which it is executed by the Superintendent or Deputy Superintendent.
10. The provisions of this Settlement Agreement are not confidential.

Agreed to and accepted:

New York State Department of Financial Services

Northeast Processing, LLC

by: \_\_\_\_\_

Rholda L. Ricketts  
Deputy Superintendent

by: \_\_\_\_\_

Kathy Kagan  
Owner

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

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