

New York State  
Department of Financial Services

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In the Matter of

**Franklin First Financial, Ltd. D/B/A  
Franklin First Mortgage Bankers  
B500728**

**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 Franklin First Financial, Ltd. D/B/A Franklin First Mortgage Bankers ("Franklin First" or the "Entity") and the New York State Department of Financial Services (the "Department" and collectively with Franklin First, the "Settling Parties") evidencing an agreement between the Settling Parties to resolve, without a hearing, the violations by Franklin First of Article 12-D of the New York Banking Law (the "Banking Law"), and Part 38 of the General Regulations of the Superintendent (the "General Regulations"), upon and subject to the terms and conditions hereof.

**I.**

**RECITALS**

1. Franklin First, headquartered at 538 Broadhollow Road, Suite 401, Melville, NY 11747, was granted a license by the Department on June 11, 2003 to engage in business as a mortgage banker pursuant to Article 12-D of the Banking Law.

2. Sections 44 and 598 of the Banking Law provides, in part, that the Superintendent of Financial Services ("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 thereunder.

3. Section 38.8 of the General Regulations 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.

#### **Unauthorized Domain Name**

4. The Department determined that during a period including March 2013, Adam DeMario, a licensed Mortgage Loan Originator sponsored by the Entity from January 5, 2012 to May 16, 2014, used the domain names “yourchristianlender.com” and “thechristianlendingnetwork.com” to solicit New York regulated residential mortgages, which were subsequently originated by the Entity. Additionally, the “christianlendingnetwork.com” website utilized the unauthorized name “The Christian Lending Network” to conduct New York regulated mortgage activities. A sample of each domain names is annexed as Exhibit A, and Exhibit B, respectively.

5. According to the Department records, the Department did not authorize any entity to conduct regulated New York mortgage business utilizing the name “The Christian Lending Network” or any of the domain names mentioned above.

6. The website “thechristianlendingnetwork.com” stated the business address 430 Sunrise Highway, Rockville Center, NY 11579. Additionally, under contacts the website listed the address 538 Broadhollow Road, Suite 401, Melville NY.

7. The Department determined that such address was not licensed to engage in regulated residential mortgage activities.

8. According to the Department's records, 538 Broadhollow Road, Suite 401, Melville, NY is the principal office address of Franklin First.

9. Accordingly, Franklin First's failure to adequately monitor and supervise Adam DeMario's loan solicitation and origination activities resulted in the use of unauthorized domain names, assumed name and business address and violated Section 591(3) of the Banking Law, which requires licensees to apply for and receive permission prior to using a specific business address.

## II.

### SETTLEMENT TERMS AND CONDITIONS

Franklin First 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. Franklin First 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;
- b. ensuring that it will provide appropriate training for its employees regarding the utilization of any location to conduct regulated mortgage business, assumed name or any website, domain, or other name; and
- c. not conducting or transacting New York regulated mortgage business using any location, any restricted word, under any assumed name or designation using any website, domain, or other name that has not been

approved by the Superintendent.

2. Franklin First agrees to develop, written advertisement and compliance policies and procedures (“Compliance P&P”), designed to ensure compliance with all applicable federal and state laws, regulations, supervisory requirements and guidance letters. If it already has developed Compliance P&P, it is required to review and update them so that they address the aforementioned concerns. The Compliance P&P 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 Franklin First and its MLO and non-MLO employees 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, Franklin First agrees to submit a draft of its Compliance P&P to the Department.

4. Within thirty (30) days from receipt of non-objection or any comments from the Department, and after incorporation and adoption of all comments, Franklin First agrees to submit a copy of its final Compliance P&P to the Department together with a letter from an authorized officer of Franklin First indicating his/her approval of such policies and procedures.

5. Franklin First agrees to pay a fine of \$ 10,000 payable in ten (10) equal monthly installments as follows:

- \$1,000 upon execution of this Agreement
- \$1,000 each on or before the 15<sup>th</sup> day of immediately following nine (9) months.

6. Franklin First 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. Franklin First 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 Franklin First's license to engage in the business of a mortgage banker under Article 12-D of the Banking Law.

2. Franklin First 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 Franklin First, any of its current or former owners, officers, directors, employees, or insiders, or their successors or assigns with respect to any other matter or matters whether related or not to the violations cited herein.

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 Franklin First regarding this Agreement should be sent as follows.

Attention:

Frederick L. Assini  
President  
Franklin First Financial, Ltd. D/B/A  
Franklin First Mortgage Bankers  
538 Broadhollow Road, Suite 401  
Melville, NY 11747

8. This Agreement is not confidential, and each of the Settling Parties understands that it is available to the public.

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

Franklin First Financial, Ltd. D/B/A  
Franklin First Mortgage Bankers

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

Frederick L. Assini  
President

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

New York State Department of Financial  
Services

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

Rholda L. Ricketts  
Deputy Superintendent

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