

New York State Department
of Financial Services

_____ X
In the Matter of

1st Alliance Lending, LLC
B500917

SETTLEMENT AGREEMENT

A Licensed Mortgage Banker Pursuant To
Article XII-D of the New York Banking Law
_____ X

This Settlement Agreement ("Agreement") is made and entered into by and between 1st Alliance Lending, LLC ("1st Alliance" or the "Entity") and the New York State Department of Financial Services (the "Department" and collectively with the Entity, the "Settling Parties") evidencing an agreement between the Settling Parties to resolve, without a hearing, violations of Article 12-D of the New York Banking Law ("Banking Law"), and Section 420 of the Superintendent's Regulations, and subject to the terms and conditions hereof.

I.

RECITALS

1. The Entity, headquartered at 111 Founders Plaza, Suite 1300, East Hartford, CT 06108, was granted a license by the Department on December 18, 2008 to engage in business as a mortgage banker pursuant to Article 12-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 licensed mortgage banker to

pay to the people of this State a penalty for violation of the Banking Law and/or 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 Location Violation

4. In the normal course of its supervisory efforts, on October 16, 2013 the Department conducted an examination of the Entity's mortgage loan activities relating to New York properties ("Mortgage Loan Activities").

5. As a result of the examination, the Department determined that the Entity permitted licensed Mortgage Loan Originator, Tennille Jane Francis, NMLS# 6473 ("MLO"), to conduct Mortgage Loan Activities from an address identified as 25 Glen Street, Riverside, RI 02915 during a period beginning November 17, 2011.

6. The Entity failed to obtain authorization from the Department to conduct Mortgage Loan Activities at 25 Glen Street, Riverside, RI 02915.

7. Accordingly, the Entity violated Section 591(3) of the Banking Law, which requires licensees to apply for and receive authority to open and maintain a branch office.

8. Additionally, by consenting to the MLO conducting Mortgage Loan Activities at 25 Glen Street, Riverside, RI 02915, the Entity effectively assigned her to an unlicensed location.

9. Accordingly, the Entity violated Section 420.18(a)(3)(v) of the Superintendent's Regulations, which requires that originating entities assign MLOs to locations licensed or registered by the Superintendent.

II.

SETTLEMENT TERMS AND CONDITIONS

The Entity 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. The Entity 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 and 12-E of the Banking Law, and their implementing regulations;
 - b. not conducting or transacting Mortgage Loan Activities at any location that has not been approved by the Superintendent;
 - c. ensuring that it assigns MLOs to locations licensed or registered by the Superintendent;
 - d. ensuring that its staff does not engage in origination activities at unauthorized locations; and
 - e. ensuring that it will provide appropriate training for its employees regarding the establishment of or the change of branch locations.

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

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

4. The Entity agrees to pay a fine of \$10,000.

5. The Entity 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 Entity 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 the Entity's license to engage in the business of a mortgage banker under Article 12-D of the Banking Law.

2. The Entity 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 the Entity, 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. Notwithstanding the provisions of the immediately preceding paragraph 2 above, no further action will be taken by the Department against the Entity for the conduct set forth in this Agreement, provided the Entity complies with terms and conditions of this Agreement.

4. This Agreement may not be altered, modified or changed unless in writing signed by the Superintendent or his designee.

5. This Agreement shall be enforceable and remain in effect unless stayed or terminated in writing by the Superintendent or his designee.

6. The effective date of this Agreement is the date on which it is executed by the Deputy Superintendent.

7. 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 the Entity regarding this Agreement should be sent as follows.

Attention:

John C. Dilorio
Managing Member & Owner
1st Alliance Lending, LLC
111 Founders Plaza, Suite 1300
East Hartford, CT 06108

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.

1st Alliance Lending, LLC

By: _____/s/_____

John C. Dilorio
Managing Member & Owner

Dated: _____

New York State Department of Financial Services

By: _____/s/_____

Rholda L. Ricketts
Deputy Superintendent

Date: _____