

New York State  
Department of Financial Services

-----X

In the Matter of

**MLD Mortgage Inc. D/B/A  
The Money Store  
B500824**

**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 MLD Mortgage Inc. d/b/a The Money Store ("MLD Mortgage") and the New York State Department of Financial Services (the "Department" and collectively with MLD Mortgage, the "Parties") evidencing an agreement between the Parties to resolve, without a hearing, the violations by MLD Mortgage of Article 12-D of the New York Banking Law (the "Banking Law"), and Part 420 of the Superintendent's Regulations, upon and subject to the terms and conditions hereof.

**I.**

**RECITALS**

1. MLD Mortgage, headquartered at 30B Vreeland Road, Florham Park, NJ 07932, was granted a license by the Department on September 7, 2005 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 provide, 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 any violation of the Banking Law and/or regulation promulgated thereunder.

3. Section 38.8 of the General Regulations of the Superintendent 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.

#### **Assigned to Unregistered Location**

4. The Department determined that during a period including December 2014, Michael William Johnson, a Mortgage Loan Originator (“MLO”), while sponsored by MLD Mortgage, used the domain name “nyreverse.com” to solicit residential mortgage loans relating to properties in New York State on behalf of MLD Mortgage. A sample of the domain name is annexed as Exhibit A.

5. Pursuant to the Department’s June 1, 2000 industry letter, the domain name of any website used by a licensee or a registrant to conduct mortgage banking or brokering activity qualifies as a business address.

6. The Department’s records revealed that MLD Mortgage failed to obtain authorization to utilize the domain name “nyreverse.com” to conduct mortgage loan activities relating to properties in New York State.

7. Accordingly, the Department has determined that MLD Mortgage has violated 3 NYCRR Section 420.18(a)(3)(v), by allowing its sponsored MLO to originate loans from an unregistered location.

#### **Unauthorized Branch Relocation**

8. The Department issued a branch license on December 9, 2013 to MLD Mortgage to operate a branch office at 301 North Broadway, Suite 202, Jericho, NY

11753.

9. The Department determined that MLD Mortgage relocated said branch office to 1900 Hempstead Turnpike, Suite 204, East Meadow, New York 11554 on or around February 15, 2014 without notifying the Department.

10. Accordingly, MLD Mortgage violated Section 593 of the Banking Law, which requires licensees to forthwith notify the Superintendent of a changed location.

## II.

### SETTLEMENT TERMS AND CONDITIONS

MLD Mortgage 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. MLD Mortgage 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 website, domain, or other name that has not been approved by the Superintendent.

2. MLD Mortgage 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 MLD Mortgage 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, MLD Mortgage 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, MLD Mortgage agrees to submit a copy of its final Compliance P&P to the Department together with a letter from an authorized officer of MLD Mortgage indicating his/her approval of such policies and procedures.

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

2. MLD Mortgage 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 MLD Mortgage, 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 MLD Mortgage regarding this Agreement should be sent as follows.

Attention:

Lawrence A. Dear  
President  
MLD Mortgage Inc. D/B/A  
The Money Store  
30 B Vreeland Road  
Florham Park, NJ 07932

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

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

MLD Mortgage Inc. D/B/A  
The Money Store

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

Lawrence A. Dear  
President

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

New York State Department of Financial  
Services

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

Rholda L. Ricketts  
Deputy Superintendent

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