

New York State Department
of Financial Services

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In the Matter of

PROFESSIONAL MORTGAGE SOLUTIONS, INC.
A004410

SETTLEMENT AGREEMENT

A Registered Mortgage Broker Pursuant To
Article 12-D of the New York Banking Law

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This Settlement Agreement (the “Agreement”) is made and entered into by and between Professional Mortgage Solutions, Inc. (“PMS”) and the New York State Department of Financial Services (the “Department,” collectively referred to herein as the “Parties”), evidencing an agreement between the Parties to resolve, without a hearing, the violations of Section 1005 of the Business Corporation Law (“BCL”) and (ii) Section 102 of Supervisory Procedure MB 102, cited herein by the Department, upon and subject to the terms and conditions hereof.

I.

RECITALS

1. PMS, headquartered at 62-79 Woodhaven Boulevard, Rego Park, New York 11374, was granted a registration by the Department on December 4, 1997 to engage in business as a mortgage broker, pursuant to Article 12-D of the Banking Law. PMS was incorporated as a domestic corporation on March 13, 1997, pursuant to Article 4 of the Business Corporation Law.

2. Sections 44 and 598 of the Banking Law provide, in part, that the Superintendent of Financial Services of the State of New York (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/or any regulation promulgated thereunder.

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

Regulations”) 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 registrant is unfit to engage in the business of a mortgage broker.

Failure to Notify the Department of PMS’s Corporate Dissolution

4. Section 1005(a)(1) of the Business Corporation Law dictates that after dissolution, a “corporation shall carry on no business except for the purpose of winding up its affairs.”

5. Additionally, Section 102.1(c)(1) of Supervisory Procedure MB 102 provides that a registrant shall notify the Department of “any changes which may occur in the information furnished in the application subsequent to the date upon which the information was furnished,” including corporate dissolution.

6. During a review of PMS’s corporate records, the Department noted that the New York Department of State (the “DOS”) records indicated that the entity ceased to exist as it was dissolved by proclamation on June 29, 2016.

7. On January 18, 2017, the Department notified PMS that as a result of the dissolution of PMS, it no longer had authority to do business in this State, and therefore the Department no longer considers PMS a registered mortgage broker.

8. For the period that PMS was dissolved with the DOS, PMS maintained an active registration with the Department.

9. Additionally, PMS’s application log indicates that PMS conducted mortgage activities in connection with properties located in New York.

10. Although PMS was reinstated with the DOS, effective February 9, 2017, PMS’s failure to notify the Department of the dissolution resulted in the company remaining on the roll

of registered mortgage brokers even though its corporate status as an entity was dissolved.

11. Accordingly, PMS violated Section 1005(a)(1) of the Business Corporation Law by continuing to conduct business after dissolution of the corporation.

12. Furthermore, PMS's failure to notify the Department of its corporate dissolution constitutes a violation of Section 102.1(c)(1) of Supervisory Procedure MB 102.

II.

SETTLEMENT TERMS AND CONDITIONS

IT IS HEREBY UNDERSTOOD AND AGREED by PMS and all subsidiaries, affiliates, successors, assigns, agents, representatives and employees, that:

1. PMS shall resolve the violations by entering into this Agreement and freely and voluntarily waives its right to a hearing under Banking Law Sections 44 and 598 on such violation.

Therefore, in consideration of the promises and covenants set forth herein:

2. PMS shall take all necessary steps to ensure its compliance with all applicable federal and state laws, regulations, and supervisory requirements relating to its mortgage business as well as all corporate filing requirements in the State of New York and notification requirements for the Department.

3. PMS shall pay a penalty of \$2,500.00 no later than ten (10) days after the effective date of this Agreement. The payment shall be made by wire transfer in accordance with the Department's payment instructions.

4. Neither PMS, nor any of its parents, subsidiaries, or affiliates shall, collectively or individually, seek or accept, directly or indirectly, reimbursement or indemnification including but not limited to payment made pursuant to any insurance policy, or from any of its parents, subsidiaries, or affiliates, with regard to any or all of the amount payable pursuant to this

Agreement.

5. PMS shall not claim, assert, or apply for a tax deduction or tax credit with regard to any U.S. federal, state or local tax, directly or indirectly, for any portion of the penalty paid pursuant to this Agreement.

III.

MISCELLANEOUS TERMS AND CONDITIONS

1. PMS acknowledges that its failure to fully comply with any of the terms and/or conditions of this Agreement may result in the Department taking action to suspend or revoke its license to engage in business as a registered mortgage loan broker.

2. The Superintendent has agreed to the terms of this Agreement based on the written representations made to the Department, or the written materials submitted to the Department, by PMS - either directly or through its counsel - and the Department's findings. To the extent that the written representations or written submissions, made by PMS to the Department - either directly or through its counsel - are later found to be materially incomplete or inaccurate, this Agreement is voidable by the Superintendent in her sole discretion.

3. Upon the request of the Department, PMS shall provide all documentation and information necessary for the Department to verify full compliance with this Agreement.

4. PMS represents and warrants, through the signature below, that the terms and conditions of this Agreement were duly approved, and execution is duly authorized.

5. This Agreement and any dispute thereunder shall be governed by the laws of the State of New York without regard to any conflict of laws principles.

6. PMS waives all rights to further notice and hearing in this matter as to any allegations of past violations up to and including the effective date of this Agreement and agrees

that no provision of the Agreement is subject to review in any court or tribunal outside of the Department.

7. In the event that one or more provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement.

8. PMS 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 PMS, any of its current or former owners, officers, directors, employees, or insiders, or their successors or assigns with respect to the violation cited herein, or any other matter whether related or not to such violations.

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

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

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

12. 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

13. All written communications to PMS regarding this Agreement should be sent as follows.

Attention:

Salvatore Tomaselli
President
Professional Mortgage Solutions, Inc.
62-79 Woodhaven Blvd
Rego Park, New York 11374

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

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

Professional Mortgage Solutions, Inc.

By: _____ / S / _____
Salvatore Tomaselli
President

Dated: _____

New York State Department of Financial Services

By: _____ / S / _____
Rholda L. Ricketts
Deputy Superintendent

Dated: _____