

NEW YORK STATE DEPARTMENT
OF FINANCIAL SERVICES

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In the Matter of

SIGMA FUNDING CORP.
A006048

SETTLEMENT AGREEMENT

A Registered Mortgage Broker Pursuant To
Article 12-D of the New York Banking Law
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This Settlement Agreement (“Agreement”) is made and entered into by and between Sigma Funding Corp. (the “SFC”) and the New York State Department of Financial Services (the “Department” and together, with SFC, collectively the “Settling Parties”) evidencing an agreement between the Settling Parties to resolve, without a hearing, the violations of Article 12-D of the New York Banking Law (“Banking Law”), upon and subject to the terms and conditions hereof.

I

RECITALS

1. SFC, headquartered at 2534 Tilden Avenue, Brooklyn, NY 11226, was granted a registration by the Department on August 10, 2004 to engage in the business of a mortgage broker 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 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 any regulation promulgated thereunder.
3. Section 38.8 of the General Regulations of the Superintendent 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 entity is unfit to engage in the business of a mortgage broker.

Unauthorized Domain Names and Websites

4. Section 591-a(2) of the Banking Law requires registrants to apply for and receive permission prior to using a specific business address.

5. Pursuant to the Department's June 1, 2000 Industry Letter, the domain name of any website used by a registrant or a licensee to conduct mortgage banking or mortgage brokering activity qualifies as a separate business address that must be registered with the Department.

6. During the 2017 Examination, the Department discovered that SFC utilized the domain name and website, www.sigmafundingcorp.com, for a period including December 31, 2017 to promote and solicit residential mortgage loans relating to properties in New York State.

7. SFC failed to obtain prior authorization from the Department to utilize the domain, www.sigmafundingcorp.com to conduct New York regulated residential mortgage activities.

8. Accordingly, SFC violated Section 591-a (2) of the Banking Law, by using the domain name, www.sigmafundingcorp.com without prior authorization.

II.

SETTLEMENT TERMS AND CONDITIONS

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

1. SFC is willing to resolve the violations cited herein by entering into this Agreement and freely and voluntarily waives its right to a hearing under Sections 44 and 598 of the Banking Law and appeal on such violations. Therefore, in consideration of the promises and covenants set

forth herein, the Settling Parties agree as follows:

2. SFC 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. ensuring that SFC obtains the prior approval of the Superintendent of any action that will result in the use a different domain name or website.

3. SFC shall pay a fine of \$3,000.00, as a penalty, to the Department no later than ten (10) days after the effective date of this Agreement.

4. The payment shall be made by wire transfer in accordance with the Department's payment instructions.

5. Neither SFC, 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.

6. SFC agrees that it will 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. SFC 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 registration to engage in the business of a mortgage broker under Article 12-D of the Banking

Law.

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 SFC – either directly or through its counsel – and the Department’s findings. To the extent that the written representations or written submissions, made by SFC 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, SFC shall provide all documentation and information necessary for the Department to verify full compliance with this Agreement.

4. SFC 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. SFC 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 this 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. SFC acknowledges that entering into this Agreement shall not bar, estop, or otherwise prevent the Superintendent, or any state, federal or local agency or department from taking any other, or additional, action affecting SFC, or 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.

9. This Agreement may not be altered, modified or changed unless in writing signed on behalf of all parties to this Agreement.

10. This Agreement shall be enforceable and remain in effect until stayed, modified, suspended or terminated in writing by the Superintendent.

11. This Agreement may be executed in one or more counterparts. 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, NY 10004

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

Attention:

Claude Roberts
President
Sigma Funding Corp.
2534 Tilden Avenue
Brooklyn, NY 11226

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

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

Sigma Funding Corp.

By: _____ / S / _____

Claude Roberts
President

Dated: _____

New York State Department of Financial Services

By: _____ / S / _____

Rholda L. Ricketts
Deputy Superintendent

Dated: _____