



and Brokers and Consumer Equity Protection Act (the "MBBCEPA"), 63 P.S. § 456.301 et seq., and the Secondary Mortgage Loan Act (the "SMLA"), 7 P.S. § 6601 et seq. On November 5, 2008, Chapter 3 of the MBBCEPA and the SMLA were repealed by operation of law and replaced by the Mortgage Act.

4. Apex Lending was formerly licensed as a First Mortgage Banker, license no. 13858, pursuant to the MBBCEPA and as a Secondary Mortgage Lender, license no. 14804, pursuant to the SMLA.

5. Apex Lending was granted a conditional license pursuant to the Mortgage Act on November 5, 2008.

6. Apex Lending is currently licensed as a Mortgage Lender, license no. 20767, pursuant to the Mortgage Act.

7. Apex Lending's principal place of business in Pennsylvania is located at 651 Holiday Drive, Pittsburgh, PA 15220.

8. Apex Lending has licensed branch offices in Clearwater, FL ("Corporate Headquarters"), West Palm Beach, FL, Sea Isle City, NJ, Abingdon, MD, Langhorne, PA, York, PA and Philadelphia, PA.

9. On July 23, 2007, an examination of Apex Lending commenced at Corporate Headquarters (the "Examination").

#### Unlicensed Locations

10. The Examination revealed that Apex Lending originated thirty-one (31) Pennsylvania first mortgage loans from various unlicensed locations, specifically, at home addresses of Apex Lending loan originators. The following unlicensed locations are:

- a. 949 Bridge Ct, Catasaugua, PA 18032;

- b. 3026 Disston St, Philadelphia, PA 19149;
- c. 1272 Turnbury Ln, Gwynedd, PA 19436;
- d. 2627 Lakemoor Dr, Orlando, FL 32828;
- e. 2641 Barred Owl Way, Odenton, MD 21113;
- f. 2464 Rochester Rd., Sewickley, PA 15143;
- g. 180 Darlene Dr., Corapolis, PA 15108;
- h. 306 Springwater Ct., Corapolis, PA 15108;
- i. 302 Raymond Dr., Oakdale, PA 15071;
- j. 749 Scottwood Rd., Orange, NJ 07050;
- k. 180 Elm Ave., Satellite Beach, FL 32937.

11. Specifically, the Examination revealed that:

- a. Apex Lending provided a loan originator list that contained the operating locations for Apex Lending loan originators (the "Loan Originator List") which included the addresses in Paragraph 10 a-k.
- b. Fax numbers on the Uniform Residential Loan Applications corresponded to fax numbers associated with the loan originators' operating locations on the Loan Originator List.
- c. The addresses for the loan originators listed on the Uniform Residential Loan Applications (as listed in Paragraph 10 a-k) did not correspond to the addresses on the Loan Originator List.

12. The Mortgage Act defines a "branch" as "[a]n office or other place of business, other than the principal place of business, located in this Commonwealth or any other state,

where a person engages in the mortgage loan business subject to this chapter.” 7 Pa. C.S. § 6102 (corresponding to 63 P.S. § 456.302).

13. Section 6131(a)(1)(ii) of the Mortgage Act (corresponding to Section 304(a) of the MBBCEPA) provides, in relevant part, that an application for licensure shall include “the address *or addresses* where the applicant’s mortgage loan business is to be conducted.” 7 Pa. C.S. § 6131(a)(1)(ii) (emphasis added) (corresponding to 63 P.S. § 456.304(a)).

14. Section 6132(b)(2) of the Mortgage Act (corresponding to Section 305(a) of the MBBCEPA) provides that a licensee must pay a renewal fee for each branch office. 7 Pa. C.S. § 6132(b)(2) (corresponding to 63 P.S. § 456.305(a)).

15. Thus, based on the foregoing, any office of a licensee where mortgage loan business is conducted under the Mortgage Act must be licensed as a branch pursuant to the Mortgage Act.

#### Authority of the Department

16. Section 6138(a)(4) of the Mortgage Act (corresponding to Sections 310(a) of the MBBCEPA and 16(1) of the SMLA) grants the Department broad authority to issue orders for the enforcement of the Mortgage Act. 7 Pa. C.S. § 6138(a)(4) (corresponding to 63 P.S. § 456.310(a) and 7 P.S. § 6616(1)).

17. Section 6140(b) of the Mortgage Act (corresponding to Section 314(c) of the MBBCEPA and Section 22(b) of the SMLA) provides, in relevant part, that “[a] person licensed under this chapter or director, officer, owner, partner, employee or agent of a licensee who violates a provision of this chapter or who commits any action which would subject the licensee to suspension, revocation or nonrenewal under section 6139 may be fined by the department up

to \$10,000 for each offense.” 7 Pa C.S. § 6140(b) (corresponding to 63 P.S. § 456.314(c) and 7 P.S. § 6622(b)).

### **VIOLATION**

18. Apex Lending is in violation of Sections 6131(a)(1)(ii) and 6132(b)(2) of the Mortgage Act (corresponding to Sections 304(a) and 305(a) of the MBBCEPA) by originating loans from unlicensed branch locations.

### **RELIEF**

19. Fine. Apex Lending shall pay the Department a fine in the amount of \$10,500 in three monthly installment payments of \$3,500 each. The first installment shall be due within thirty (30) days of the Effective Date of this Order. The second installment shall be due within sixty (60) days of the Effective Date of this Order. The third installment shall be due within ninety (90) days of the Effective Date of this Order. Payments shall be made by certified check or money order made payable to the Pennsylvania Department of Banking and sent to the attention of Compliance Division, Bureau of Compliance, Investigation and Licensing, 17 N. Second Street, Suite 1300, Harrisburg, PA 17101.

20. Corrective Measures. Upon the Effective Date of this Order, Apex Lending shall cease and desist from originating Pennsylvania mortgage loans from unlicensed locations.

### **FURTHER PROVISIONS**

21. Consent. Apex Lending hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Bureau’s order authority under the Mortgage Act and agrees that it understands all of the terms and conditions contained therein. Apex Lending, by voluntarily entering into this Order, waives any right to a hearing or appeal concerning the terms, conditions and/or penalties set forth in this Order.

22. Publication. The Department will publish this Order pursuant to its authority in Section 302.A.(5) of the Department of Banking Code. 71 P.S. § 733-302.A.(5).

23. Entire Agreement. This Order contains the whole agreement between the parties. There are no other terms, obligations, covenants, representations, statements, conditions, or otherwise, of any kind whatsoever concerning this Order. This Order may be amended in writing by mutual agreement by the Bureau and Apex Lending.

24. Binding Nature. The Department and Apex Lending intend to be and are legally bound by the terms of this Order.

25. Counsel. This Order is entered into by the parties upon full opportunity for legal advice from legal counsel.

26. Effectiveness. Apex Lending hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order ("Effective Date").

27. Other Enforcement Action.

a. The Department reserves all of its rights, duties, and authority to enforce all statutes, rules and regulations under its jurisdiction against Apex Lending in the future regarding all matters not resolved by this Order.

b. Apex Lending acknowledges and agrees that this Order is only binding upon the Department and not any other local, state or federal agency, department or office regarding matters within this Order.

28. Authorization. The parties below are authorized to execute this Order and legally bind their respective parties.

29. Counterparts. This Order may be executed in separate counterparts and by facsimile.

30. Titles. The titles used to identify the paragraphs of this document are for the convenience of reference only and do not control the interpretation of this document.

WHEREFORE, in consideration of the foregoing, including the recital paragraphs, the Department and Apex Lending intending to be legally bound, do hereby execute this Consent Agreement and Order.

**FOR THE COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING, BUREAU OF COMPLIANCE,  
INVESTIGATION AND LICENSING**

John ~~Malai~~, Administrator  
Bureau of Compliance,  
Investigation and Licensing  
Department of Banking

Date: 2-27-09

**FOR APEX LENDING INC.**

(Officer Name)

(Print Officer Name)

PRESIDENT  
(Title)

Date: 2/25/2009