

FILED

2011 FEB 14 PM 3:12

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING

PA DEPT OF BANKING

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING, BUREAU
OF COMPLIANCE, INVESTIGATION
AND LICENSING

Docket No. 11 0027 (ENF-CO)

v.

ALLEGRO FUNDING CORP.

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking ("Department"), Bureau of Examinations, has conducted an examination of Allegro Funding Corp., ("Allegro"), and its officers, employees and directors. Based on the results of the examination, the Bureau of Compliance, Investigation and Licensing ("Bureau") believes that Allegro operated in violation of 7 Pa. C.S. § 6101 *et seq.* ("Mortgage Licensing Act"). The parties to the above captioned matter, in lieu of litigation, hereby stipulate that the following statements are true and correct in the settlement of the above-captioned matter and, intending to be legally bound, hereby agree to the terms of this Consent Agreement and Order ("Order").

BACKGROUND

1. The Department is the Commonwealth of Pennsylvania's administrative agency authorized and empowered to administer and enforce the Mortgage Licensing Act.
2. The Bureau is primarily responsible for administering and enforcing the Mortgage Licensing Act for the Department.

3. Allegro is currently licensed under the Mortgage Licensing Act as a Mortgage Broker, license no. 28592, with a Nationwide Mortgage Licensing System (NMLS) identification number of 1736.

4. Allegro maintains its principal place of business at 309 Kingsley Lake Drive Suite 901-902 St. Augustine, Florida 32092.

5. Beginning on January 11, 2011 the Bureau conducted an investigation leading it to conclude that Allegro had originated mortgages from an unlicensed branch.

Unlicensed Branch Locations

6. The Investigation revealed that Allegro originated two mortgage loans involving Pennsylvania real property from 845 Kelly Drive, York, Pennsylvania 17404 prior to the location being licensed as branch and without providing notice to the Department that mortgage loan business will be conducted at that location.

7. The Mortgage Licensing Act defines a "branch" as "[a]n office or other place of business, other than the principal place of business, where a person engages in the mortgage loan business subject to this chapter." 7 Pa. C.S. § 6102.

8. The Mortgage Licensing Act requires a mortgage loan business applicant to disclose in their application for licensure all addresses where they will be conducting mortgage loan business. 7 Pa. C.S. § 6131(a)(1)(ii).

9. The Mortgage Licensing Act requires all applicants and licensees to provide the department with written notice of a change in any information contained in an application within ten days. 7 Pa.C.S. § 6131(b).

10. The Mortgage Licening Act requires all mortgage originators to be assigned to and work out of a licensed location of the employer licensee. 7 Pa. C.S. § 6131(f)(2).

11. It is the conclusion of the Bureau that Allegro violated the Mortgage Licensing Act when it conducted the mortgage loan business from an unlicensed branch location, and from a location without informing the Department of Banking in its application or by written notice.

Authority of the Department

12. Section 6138(a)(4) of the Mortgage Licensing Act grants the Department broad authority to issue orders for the proper conduct of the mortgage licensing business and the enforcement of the Mortgage Licensing Act. 7 Pa. C.S. § 6138(a)(4).

13. Section 6139 of the Mortgage Licensing Act provides that the Department may suspend, revoke or refuse to renew a license issued under the Mortgage Licensing Act if an owner has "failed to comply with or violated any provision of this chapter. . ." and if "a mortgage broker, mortgage lender or mortgage loan correspondent, conducted the mortgage loan business through an unlicensed mortgage originator." 7 Pa. C.S. § 6139(a)(2) and (a)(14).

14. Section 6140(b) of the Mortgage Licensing Act 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).

VIOLATIONS

15. It is the position of the Bureau that Allegro violated the Mortgage Licensing Act when it conducted the mortgage loan business out of an unlicensed location and failed to notify the Department of a change in information required to be reported on an application within ten days. 7 Pa. C.S. § 6131(f)(1); 7 Pa. C.S. § 6131(a)(1)(ii); and 7 Pa.C.S. § 6131(b).

16. It is the position of Allegro that at the time of the alleged violations it had a good faith belief that it had acted in compliance with the Mortgage Licensing Act. Without admitting any violation and specifically denying any intentional violation, Allegro recognizes the position of the Bureau.

RELIEF

17. Fine. Allegro agrees to pay a fine of \$1,000.00 which shall be due and payable to the Department within thirty (30) days of the effective date of this Order as defined in paragraph 23 below. The fine payment shall be remitted by a company check, certified check or money order made payable to the Pennsylvania Department of Banking and sent to the attention of Licensing Division, Bureau of Compliance, Investigation and Licensing, 17 N. Second Street, Suite 1300, Harrisburg, PA 17101.

18. Corrective Measures. Upon the effective date of this Order, Allegro shall cease and desist from originating loans from unlicensed locations.

FURTHER PROVISIONS

19. Consent. Allegro hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Bureau's order authority under the Mortgage Licensing Act and agrees that it understands all of the terms and conditions contained herein. Allegro 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.

20. 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).

21. 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 Allegro.

22. Binding Nature. The Department, Allegro and all officers, owners, directors, employees, heirs and assigns of Allegro intend to be and are legally bound by the terms of this Order.

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

24. Effectiveness. Allegro hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order.

25. 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 Allegro in the future regarding all matters not resolved by this Order.

b. Allegro 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.

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

27. Counterparts. This Order may be executed in separate counterparts, by facsimile and by PDF.

28. 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 Allegro 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**

Robert E. Knaub, Enforcement Administrator
Bureau of Compliance, Investigation and Licensing
Department of Banking

Date: 2/14/11

FOR ALLEGRO FUNDING CORP.

(Officer Signature)

(Print Officer Name)

President
(Title)

Date: 2-14-11