



6. On January 29, 2024, an examiner from the Department commenced a routine off-site examination of RTM.

#### Inadequate Net Worth

7. Pursuant to Section 6131(c)(3) of the MLA, "A Mortgage Lender must establish a minimum net worth of \$250,000 at the time of application and will, at all times thereafter, maintain the minimum net worth." 7 Pa. C.S. § 6131(c)(3).

8. For a period of time in 2022 and 2023, while licensed as a mortgage lender, RTM failed to maintain the minimum net worth of \$250,000, required by Section 6131(c)(3) of the MLA. 7 Pa. C.S. § 6131(c)(3).

#### Authority of the Department

9. Section 6138(a)(4) of the MLA authorizes the Department to issue orders as may be necessary for the enforcement of the MLA. 7 Pa. C.S. § 6138(a)(4).

10. Section 6140(b) of the MLA authorizes the Department to issue a fine of up to \$10,000 per offense against a person who is in violation of the MLA. 7 Pa. C.S. § 6140(b).

#### **VIOLATION**

11. RTM was in violation of Section 6131(c)(3) of the MLA when it failed to maintain a minimum net worth of \$250,000. 7 Pa. C.S. § 6131(c)(3).

#### **RELIEF**

12. Fine. RTM agrees to pay a fine of three thousand, seven hundred fifty dollars (\$3,750). The fine may be paid in three (3) monthly installments of \$1,250 with the first payment due within thirty (30) days of the Effective Date of the Order as defined in paragraph 20 below. The fine payment shall be made through the Department portal at <https://www.portal.dobs.pa.gov>.

13. Corrective Action. RTM shall comply with the MLA at all times.

### FURTHER PROVISIONS

14. Consent. RTM hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Department's order authority under the MLA and agrees that it understands all of the terms and conditions contained herein. RTM, 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.

15. Consumer's Rights. The Order shall not limit or impair a consumer's rights under the MLA.

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

17. 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 Office and RTM.

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

19. Counsel. This Order is subject to review by the Department's Legal Division. This Order is entered into by the parties upon full opportunity for legal advice from legal counsel.

20. Effectiveness. RTM hereby stipulates and agrees that the Order shall become effective on the date that the Department's Legal Division docket this Order ("Effective Date").

21. 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 RTM in the future regarding all matters not resolved by this Order.
- b. RTM 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.

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

23. Counterparts. This Order may be executed in separate counterparts and by facsimile or electronic format.

24. 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 of Banking and Securities, Compliance Office and Red Tree Mortgage, LLC, intending to be legally bound do hereby execute this Consent Agreement and Order.

**FOR THE COMMONWEALTH OF  
PENNSYLVANIA  
DEPARTMENT OF BANKING AND  
SECURITIES**

Redacted

John Talalai, Director  
Compliance Office  
Pennsylvania Department of Banking and  
Securities

Date: 05/07/2024

**FOR RED TREE MORTGAGE, LLC**

Redacted

(Officer Signature)

*Alex Romig*

(Print Officer Name)

*President*

(Title)

Date: 5/7/2024

