

FILED

COMMONWEALTH OF PENNSYLVANIA 2009 JUN 10 PM 4: 26
DEPARTMENT OF BANKING

~~PA DEPT OF BANKING~~

COMMONWEALTH OF PENNSYLVANIA	:	Docket No. : 080044 (ENF-C&D)
DEPARTMENT OF BANKING, BUREAU	:	
OF COMPLIANCE, INVESTIGATION	:	
AND LICENSING	:	
	:	
	:	
v.	:	
	:	
GENESIS HOME SOLUTIONS, LLC	:	
	:	
and	:	
	:	
LISA GERIDEAU-WILLIAMS, individually	:	

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking (the "Department"), Bureau of Compliance, Investigation and Licensing ("Bureau") has reviewed the business practices of Genesis Home Solutions, LLC ("Genesis Home") and Lisa Gerideau-Williams. Based upon its review, the Bureau believes that Genesis Home and Lisa Gerideau-Williams are in violation of the Mortgage Bankers and Brokers & Consumer Equity Protection Act (the "MBBCEPA"), 63 P.S. § 456.101 et seq., and the Secondary Mortgage Loan Act (the "SMLA"), 7 P.S. § 6601 et seq. The parties to the above captioned matter, in lieu of litigation, and, intending to be legally bound, hereby agree to the terms of this Consent Agreement and Order (the "Order").

BACKGROUND

1. The Department is the Pennsylvania state governmental administrative agency authorized and empowered to administer and enforce the MBBCEPA and the SMLA.

2. The Bureau has the primary responsibility of administering and enforcing the MBBCEPA and SMLA for the Department.

3. Genesis Home is a Pennsylvania Limited Liability Company and was licensed in Pennsylvania as a First Mortgage Broker, license no. 16787, and a Secondary Mortgage Broker, license no. 16788.

4. Genesis Home had its principal place of business in Pennsylvania located at 6553 Saltsburg Road, Suite 100, Pittsburgh, PA 15235 (the "Principal Place").

5. Lisa Gerideau-Williams was the office supervisor and 100% owner of Genesis Home.

6. Lisa Gerideau-Williams is also a licensed attorney in the Commonwealth of Pennsylvania and is the treasurer for Millennium Settlement Services, LLC ("Millennium") a Limited Liability Company incorporated in Pennsylvania.

Recordkeeping Violations

7. On July 18, 2007, an examiner from the Department initiated an examination of Genesis Home at the Principal Place ("the July Exam").

8. The July Exam revealed various violations of the MBBCEPA and various federal statutes and regulations.

9. Specifically, at the July Exam the examiner noted that Genesis Home:

- a. failed to maintain a mortgage loan application log;
- b. did not properly complete Good Faith Estimates;
- c. failed to include the mortgage broker fee on some Good Faith Estimates and Truth-in-Lending disclosures; and
- d. had insufficient statements of credit denial.

10. At the July Exam, Lisa Gerideau-Williams, on behalf of Genesis Home agreed to correct these violations.

11. On November 26, 2007, an examiner from the Department initiated an examination of Genesis Home at the Principal Place (the "November Exam").

12. At the November Exam Ms. Gerideau-Williams claimed that she had not brokered any mortgage loans since the July Exam.

13. An investigator with the Department asked Ms. Gerideau-Williams to see a payoff check and Ms. Gerideau-Williams stated that she could not locate any records, that she was unorganized and did not know where anything was filed or maintained.

14. The investigator asked to see any files stored on Ms. Gerideau-Williams' three (3) computers and Ms. Gerideau-Williams made any documents she had as well as the computers available to the investigator, however Ms. Gerideau-Williams stated that she could not access the information on the computers.

15. The Department was eventually able to retrieve some documents off Ms. Gerideau-Williams' hard drives.

16. The examiner also noted that Ms. Gerideau-Williams' law practice and Millennium Settlement Services were also located at the Principal Place.

17. The examiner noted that documents and records from Ms. Gerideau-Williams' other businesses were commingled with the documents and records of Genesis Home.

18. Section 308(a)(2) of the MBBCEPA provides that all licensees must "[m]aintain, at its principal place of business within this Commonwealth. . . books, accounts, records and documents, or electronic or other similar access thereto, of the business conducted under the license as may be prescribed by the department. . ." 63 P.S. § 456.308(a)(2).

19. Section 308(a)(4) of the MBBCEPA provides that all licensees shall be subject to an examination by the Department at any time and that all licensees shall provide the Department with “free access, during regular business hours, to the licensee’s place or places of business in this Commonwealth and to all instruments, documents, accounts, books and records which pertain to a licensee’s mortgage loan business. . .” 63 P.S. § 456.308(a)(4).

20. Section 308(b) of the MBBCEPA provides that all “instruments, documents, accounts, books and records shall be kept separate and apart from the records of any other business conducted by the licensee. . .” 63 P.S. § 456.308(b).

21. Section 10(a)(2) of the SMLA provides that a licensee shall “[m]aintain at its principal place of business in this Commonwealth” all secondary mortgage loan records. 7 P.S. § 6610(a)(2).

22. Section 10(a)(4) of the SMLA provides that all licensees shall be subject to an examination by the Department at any time and that all licensees shall provide the Department with “free access, during regular business hours, to the licensee’s place or places of business in this Commonwealth and to all instruments, documents, accounts, books and records which pertain to a licensee’s mortgage loan business. . .” 7 P.S. § 6610(a)(4).

23. Section 10(c) of the SMLA provides that all “instruments, documents, accounts, books and records shall be kept separate and apart from the records of any other business conducted by the licensee. . .” 7 P.S. § 6610(c).

24. By not having first and secondary mortgage loan files kept separate from other businesses and in a manner that the Department’s examiner could review, Genesis Home and Lisa Gerideau-Williams are in violation of Section 308 of the MBBCEPA and Section 10 of the SMLA.

25. By not having first and secondary mortgage loan files kept separate from other businesses and in a manner that the Department's examiner could review, Genesis Home and Lisa Gerideau-Williams has demonstrated negligence and incompetence for the mortgage business as provided in Section 313(a)(14) of the MBBCEPA, 63 P.S. § 456.313(a)(14).

26. Around August 2007 the Department became aware of a non-funding issue.

27. [redacted] refinanced his property located at [redacted] using Genesis Home as his mortgage broker.

28. Genesis Home brokered [redacted] loan to a mortgage lender that used Millennium as the settlement company.

29. The mortgage lender sent the loan payoff for [redacted] original loan to Millennium for the settlement occurring on [redacted].

30. Ms. Gerideau-Williams, on behalf of Millennium was to forward the proceeds from the settlement to CitiMortgage.

31. Ms. Gerideau-Williams attempted to forward the loan proceeds to a representative of CitiMortgage, but the check was rejected because it was not for the full amount of the loan satisfaction.

32. Repeated requests were made to Ms. Gerideau-Williams to forward the full amount of the loan satisfaction to CitiMortgage, but bank records indicate that has never been done.

33. CitiMortgage initiated foreclosure proceedings against [redacted] and set a date for a Sheriff's sale because its mortgage had not been paid off.

34. The total payoff for [redacted] loan to CitiMortgage is [redacted].

35. On February 11, 2007, Millennium's license to issue title insurance was cancelled for failure to renew its license by the Pennsylvania Insurance Department.

36. At the time of settlement, Millennium was not licensed by the Pennsylvania Insurance Department.

37. By not paying off mortgage loan with CitiMortgage, Lisa Gerideau-Williams has demonstrated negligence and incompetence for the mortgage business as provided in Section 313(a)(14) of the MBBCEPA, 63 P.S. § 456.313(a)(14).

38. By not paying off mortgage loan with CitiMortgage, Lisa Gerideau-Williams has engaged in unfair and/or unethical business practices as provided in Section 313(a)(5) of the MBBCEPA, 63 P.S. § 456.313(a)(5).

39. Ms. Gerideau-Williams neither admits nor denies the allegations as stated above, however for the purpose of settlement, Ms. Gerideau-Williams agrees to the entry of this Order in settlement of the Cease and Desist Order described in paragraph 58.

40. A complaint in mortgage foreclosure was filed against on or around

41. The foreclosure indicated a sheriff sale date of August 6, 2007.

42. Subsequent to receipt of the foreclosure notice, sought the assistance of Ms. Gerideau-Williams and Genesis Home regarding the impending foreclosure.

43. believed she was to make mortgage payments to Genesis Home Solutions.

44. Lisa Gerideau-Williams had a written agreement signed by indicating that the payments were for a short sale and lease-option agreement.

45. made four (4) monthly payments to Lisa Gerideau-Williams.

46. Ms. Gerideau-Williams submitted a short sale request to . mortgage servicer on July 30, 2007.

47. signed page 3 of a bankruptcy petition in the presence of Ms. Gerideau-Williams.

48. states that she did not know she was filing bankruptcy.

49. The Chapter 7 bankruptcy was filed on August 3, 2007, to postpone the sheriff's sale scheduled for August 6, 2007.

50. The short sale request was denied on or around November 7, 2007 by the mortgage servicer.

51. home was sold at sheriff's sale and purchased by the mortgage servicer on or around December 3, 2007.

52. In December 2007, received a letter informing her that her home had been sold at a sheriff's sale when the mortgage servicer, as the new owner, sent her a letter informing her of the sale.

53. On February 13, 2008 received an eviction notice.

54. As of the Effective Date of this Order, Ms. Gerideau-Williams has only returned \$1,500 of the \$4,500 in payments made to her.

55. Since , payments were not used for their intended purpose, regardless of the intended purpose, Lisa Gerideau-Williams has demonstrated negligence and incompetence for the mortgage business as provided in Section 313(a)(14) of the MBBCEPA, 63 P.S. § 456.313(a)(14).

56. Since [redacted] payments were not used for their intended purpose, regardless of the intended purpose, Lisa Gerideau-Williams has engaged in unfair and/or unethical business practices as provided in Section 313(a)(5) of the MBBCEPA, 63 P.S. § 456.313(a)(5).

57. Ms. Gerideau-Williams neither admits nor denies the allegations as stated above, however for the purpose of settlement, Ms. Gerideau-Williams agrees to the entry of this Order in settlement of the Cease and Desist Order described in paragraph 58.

Administrative Order

58. On February 28, 2008 the Bureau filed a Cease and Desist Order against Genesis Home and Ms. Williams for the above stated violations.

59. On March 12, 2008, Ms. Williams filed a response to the Cease and Desist Order, although that response was not timely.

60. Ms. Gerideau-Williams neither admits nor denies the allegations as stated above, however for the purpose of settlement, Ms. Gerideau-Williams agrees to the entry of this Order in settlement of the Cease and Desist Order described in paragraph 58.

Authority of the Department

61. Section 310(a) of the MBBCEPA provides the Department with the authority to issue orders as may be necessary for the enforcement of that act. 63 P.S. § 456.310(a).

62. Section 313(a)(5) of the MBBCEPA authorizes the Department to suspend, revoke or refuse to renew a license issued under the MBBCEPA, after giving 30 days' written notice to a licensee if the licensee has "[e]ngaged in dishonest, fraudulent or illegal practices or conduct in any business or unfair or unethical practices or conduct in connection with the mortgage business." 63 P.S. § 456.313(a)(5).

63. Section 313(a)(14) of the MBBCEPA authorizes the Department to suspend, revoke or refuse to renew a license issued under the MBBCEPA, after giving 30 days' written notice to a licensee if the licensee has "[d]emonstrated negligence or incompetence in performing any act for which the licensee is required to hold a license under [the MBBCEPA]." 63 P.S. § 456.313(a)(14).

64. Section 16(1) of the SMLA provides the Department with the authority to issue orders as may be necessary for the enforcement of that act. 7 P.S. § 6616(1).

RELIEF

65. Licenses. Genesis Home voluntarily surrendered its first and secondary mortgage licenses, license nos. 16787 and 16788.

66. Prohibition. Lisa Gerideau-Williams is prohibited from engaging in the mortgage loan business in Pennsylvania in any way and in any capacity, including, owner, shareholder, director, officer, independent contractor and employee.

67. Corrective Action. Upon the Effective Date of this Order, Lisa Gerideau-Williams shall cease and desist from collecting monies from consumers for the purposes of resolving consumer mortgage issues.

68. Payoff to CitiMortgage. Lisa Gerideau-Williams shall provide the Department with evidence (through cancelled check) that the payoff for _____ loan has been made to CitiMortgage within ninety (90) days of the Department providing Ms. Gerideau-Williams the contact and payoff information for CitiMortgage.

69. Payoff to _____. Lisa Gerideau-Williams agrees to pay the \$3,000 owed to _____ in three (3) installments of \$1,000. The first installment shall be due within fifteen (15) days of the Effective Date of this Order and each subsequent payment shall be due

fifteen days thereafter. Each installment shall be paid by certified check made payable to
and mailed to the Pennsylvania Department of Banking care of the Legal Department.
The Department of Banking will ensure that receives the payments.

FURTHER PROVISIONS

70. Consent. Genesis Home and Lisa Gerideau-Williams hereby knowingly, willingly, voluntarily and irrevocably consent to the entry of this Order pursuant to the Bureau's order authority under the MBBCEPA and SMLA and agrees that they understand all of the terms and conditions contained herein. Genesis Home and Lisa Gerideau-Williams, by voluntarily entering into this Order, waive any right to a hearing or appeal concerning the terms, conditions and/or penalties set forth in this Order.

71. Publication and Release. Genesis Home and Lisa Gerideau-Williams consents to the publication and release of this Order.

72. 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, Genesis Home and Lisa Gerideau-Williams.

73. Binding Nature. The Bureau, Genesis Home, all officers, owners, directors, employees, heirs and assigns of Genesis Home and Lisa Gerideau-Williams intend to be and are legally bound by the terms of this Order.

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

75. Effectiveness. Genesis Home and Lisa Gerideau-Williams hereby stipulate and agree that the Order shall become effective on the date that the Bureau executes the Order (the "Effective Date").

76. 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 Genesis Home and Lisa Gerideau-Williams in the future regarding all matters not resolved by this Order.

b. Genesis Home and Lisa Gerideau-Williams acknowledge and agree 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.

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

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

79. 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.

