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COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING

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PA DEPT OF BANKING

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

: Docket No. 08 0089 (ENF-CO)

v.

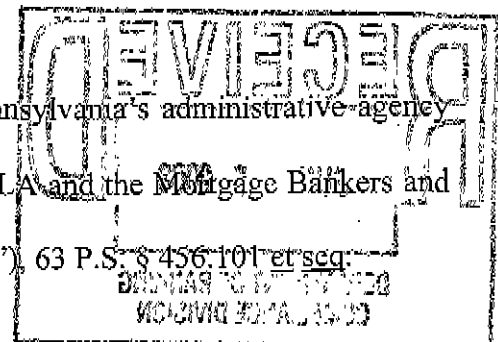
GREENLIGHT FINANCIAL SERVICES
d/b/a GFS WHOLESALE

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking (the "Department"), Bureau of Examinations, has conducted an examination of Greenlight Financial Services d/b/a GFS Wholesale ("Greenlight"), and its officers, employees and directors. Based on the results of the examination, the Bureau of Compliance, Investigation and Licensing (the "Bureau") believes that Greenlight operated in violation of the Secondary Mortgage Loan Act (the "SMLA"), 7 P.S. § 6601 et seq. 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 (the "Order").

BACKGROUND

1. The Department is the Commonwealth of Pennsylvania's administrative agency authorized and empowered to administer and enforce the SMLA and the Mortgage Bankers and Brokers & Consumer Equity Protection Act (the "MBBCEPA"), 63 P.S. § 456.101 et seq.



2. The Bureau is primarily responsible for administering and enforcing the MBBCEPA and the SMLA for the Department.

3. Greenlight is licensed as a First Mortgage Banker, license no. 10256, under the MBBCEPA and as a Secondary Mortgage Lender, license no. 10257, under the SMLA.

4. Greenlight's licensed principal place of business in Pennsylvania is located at 57 S. Main Street, Yardley, PA 19067 (the "Principal Place"). Greenlight currently maintains licensed branch locations in Irvine, CA, Lawrenceville, NJ and Las Vegas, NV.

5. On July 26, 2007, an examiner from the Department initiated an examination of Greenlight at its Principal Place (the "Examination").

Overcharge of Secondary Mortgage Application Fees

6. The Examination revealed twenty-four (24) instances in which Greenlight charged consumers an application fee in excess of the 3% allowed under the SMLA.

7. Section 9(a)(8) of the SMLA provides, in relevant part, that all secondary mortgage loan licensees shall have the power and authority "[t]o charge and collect an application fee not exceeding 3% of the original principal amount of the loan. The fee shall be fully earned at the time the loan is made and may be added to the principal amount of the loan." 7 P.S. § 6609(a)(8).

8. Section 11(2) of the SMLA provides, in relevant part, that a secondary mortgage loan licensee shall not "[c]harge, contract for, collect or receive charges, fees, premiums, commissions or other considerations in excess of those authorized by the provisions of this act." 7 P.S. § 6611(2).

Authority of the Department

9. Section 16(1) of the SMLA grants the Department the authority to issue orders as may be necessary to enforce the SMLA. 7 P.S. § 6616(1).

10. Section 22(b) of the SMLA provides, in relevant part, that “a corporation licensed under the provisions of this act or any director, officer, employee or agent who shall violate any provision of this act or shall direct or consent to such violations, shall be subject to a fine of \$2,000 for the first offense, and for each subsequent offense a like fine and/or suspension of license.” 7 P.S. § 6622(b).

VIOLATIONS

11. Greenlight is in violation of the following sections of the SMLA:

a. Section 9(a)(8) by charging consumers an application fee in excess of the 3% allowed by the SMLA;

b. Section 11(2) by charging or receiving fees in excess of those authorized by the Act.

RELIEF

12. Fine. Within thirty (30) days of the Effective Date of this Order, Greenlight will pay a fine of \$14,000 to the Department. The fine shall be paid by certified check or money order and made payable to the Department.

13. Corrective Measures. Greenlight shall cease and desist from charging consumers an amount in excess of the 3% allowed by the SMLA or any other unauthorized fees.

FURTHER PROVISIONS

14. Consent. Greenlight hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Bureau's order authority under the SMLA and

agrees that it understands all of the terms and conditions contained herein. Greenlight, 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. Publication and Release. Greenlight consents to the publication and release of this Order.

16. 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 Greenlight.

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

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

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

20. 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 Greenlight in the future regarding all matters not resolved by this Order.

b. Greenlight 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.

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

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

23. 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 Bureau and Greenlight 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**

Ryan M. Walsh, Administrator
Department of Banking
Bureau of Compliance, Investigation
And Licensing

Date: June 9, 2008

FOR GREENLIGHT FINANCIAL SERVICES d/b/a GFS WHOLESALE

(Officer Signature)

(Print Officer Name)

COO

(Title)

Date: 5/29/08