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COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING

PA DEPT OF BANKING

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

Docket No. 08 0286 (ENF-CO)

v.

WESTSTAR MORTGAGE, INC.

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking (the "Department"), Bureau of Examinations, has conducted an examination of Weststar Mortgage, Inc. ("Weststar Mortgage"). Based on the results of the examination, the Bureau of Compliance, Investigation and Licensing (the "Bureau") believes that Weststar Mortgage is in violation of the Mortgage Bankers and Brokers & Consumer Equity Protection Act (the "MBBCEPA"), 63 P.S. § 456.101 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 MBBCEPA and the Secondary Mortgage Loan Act (the "SMLA"), 7 P.S. § 6601 et seq.

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

3. Weststar Mortgage is licensed as a First Mortgage Banker under the MBBCEPA, License No. 17029, and as a Secondary Mortgage Lender under the SMLA, License No. 17030, with its principal place of business in Pennsylvania located at 709 Fairview Avenue, Feasterville, PA 19053 (the “Principal Place”) and a licensed branch office in Woodbridge, VA.

4. The locations listed in Paragraph 3 are the only licensed locations for Weststar Mortgage.

5. On January 3, 2008, an examiner from the Department initiated an examination of Weststar Mortgage at the Principal Place (the “Examination”).

Unlicensed Locations

6. The Examination revealed that Weststar Mortgage originated thirty-seven (37) first mortgage loans, involving property located in Pennsylvania, from eight (8) unlicensed locations in Rehobeth Beach, DE; Alexandria, VA; Virginia Beach, VA; Cary, NC; Raleigh, NC; Hagerstown, MD; Hyattsville, MD; and Warrenville Heights, OH (the “Unlicensed Locations”).

7. Specifically, the loan officers for the 37 loans were listed on either the 1003 Uniform Residential Loan Application and/or on the Weststar Mortgage loan log provided to the examiner.

8. The loan officers for the 37 loans worked out of one of the eight unlicensed locations.

9. The MBBCEPA applies to, *inter alia*, “[a]ny mortgage loan which is . . . notwithstanding the place of execution, secured by real property located in this Commonwealth.” 63 P.S. § 456.318(1)(iii) (emphasis added).

10. Section 302 of the MBBCEPA defines a “branch” as “[a]n office or other place of business located in this Commonwealth or any other state, other than the principal place of

business, where a person engages in the first mortgage loan business which falls under the scope of this chapter.” 63 P.S. § 456.302 (emphasis added).

11. Section 304(a) of the MBBCEPA provides, in relevant part, that “[e]ach application shall include the address *or addresses* where business is to be conducted. . .” 63 P.S. § 456.304(a) (emphasis added).

12. Section 305(a) of the MBBCEPA provides, in relevant part, that “[a] mortgage banker, mortgage broker or applicant shall pay to the department at the time an application is filed an initial license fee for the principal place of business and *an additional license fee for each branch office. . .*” 63 P.S. § 456.305(a) (emphasis added). Additionally, Section 305(a) of the MBBCEPA provides, in relevant part, that “. . . a licensee shall pay a license renewal fee for the principal place of business and an additional license renewal fee *for each branch office. . .*” 63 P.S. § 456.305(a) (emphasis added).

13. Thus, based upon the foregoing, any office of a licensee where first mortgage loan business is conducted under the MBBCEPA must be licensed as a branch under Section 304(a) and 305(a) of the MBBCEPA.

Authority of the Department

14. Section 310(a) of the MBBCEPA grants the Department broad authority to issue orders for the enforcement of the MBBCEPA. 63 P.S. § 456.310(a).

15. Section 314(c) of the MBBCEPA provides, in relevant part, that “[a]ny person licensed under the provisions of this chapter or any director, officer, employee or agent of a licensee who shall violate the provisions of this chapter or shall direct or consent to such violations shall be subject to a fine levied by the department of up to \$2,000 for each offense.” 63 P.S. § 456.314(c).

VIOLATIONS

16. Weststar Mortgage is in violation of Sections 304(a) and 305(a) of the MBBCEPA by originating Pennsylvania first mortgage loans from unlicensed branch locations.

RELIEF

17. Fine. Weststar Mortgage agrees to pay the Department a fine in the amount of \$15,000 payable in three (3) payments of \$5,000. The first payment shall be due and payable within thirty (30) days of the Effective Date of this Order. The second payment shall be due within sixty (60) days of the Effective Date of this Order. The third payment shall be due within ninety (90) days of the Effective Date of this Order. Payments shall be remitted by certified check or money order made payable to the Department of Banking, and will be sent to the Attention of the Non-Depository Institutions, Bureau of Compliance, Investigation and Licensing, 17 North Second Street, Suite 1300, Harrisburg, PA 17101.

18. Corrective Measures. Weststar Mortgage shall cease and desist from originating first mortgage loans from unlicensed branch locations in violation of the MBBCEPA.

FURTHER PROVISIONS

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

22. Binding Nature. The Department, Weststar Mortgage, and all officers, owners, directors, employees, heirs and assigns of Weststar Mortgage 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. Weststar Mortgage hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order (the "Effective Date").

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 Weststar Mortgage in the future regarding all matters not resolved by this Order.

b. Weststar Mortgage 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.

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.

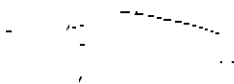
WHEREFORE, in consideration of the foregoing, including the recital paragraphs, the Department and Weststar Mortgage intending to be legally bound do hereby execute this Consent Agreement and Order.

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

Ryan Walsh, Administrator
Bureau of Compliance, Investigation and Licensing
Department of Banking

Date: October 23, 2008

FOR WESTSTAR MORTGAGE, INC.



(Officer Signature)

(Print Officer Signature)

C.E.O.

(Title)

Date: 10/17/08