

FILED

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING

2008 MAR 26 PM 3:34

|                               |   |                                |
|-------------------------------|---|--------------------------------|
| COMMONWEALTH OF PENNSYLVANIA  | : |                                |
| DEPARTMENT OF BANKING, BUREAU | : | DOCKET No. 08 <u>0057</u> (CO) |
| OF COMPLIANCE, INVESTIGATION  | : |                                |
| AND LICENSING                 | : |                                |
| v.                            | : |                                |
| WORLDWIDE FINANCIAL           | : |                                |
| RESOURCES, INC.               | : |                                |

PA DEPT OF BANKING

**CONSENT AGREEMENT AND ORDER**

The Commonwealth of Pennsylvania, acting through the Department of Banking (“Department”), Bureau of Examinations, has conducted an examination into the business practices of Worldwide Financial Resources, Inc. (“Worldwide Financial”), and its officers, employees and directors. Based on the results of the examination, the Bureau of Compliance, Investigation and Licensing (the “Bureau”) believes that Worldwide Financial operated in violation of the Mortgage Bankers and Brokers & Consumer Equity Protection Act (the “MBBCEPA”), 63 P.S. § 456.101 et seq., the Mortgage Bankers and Brokers & Consumer Equity Protection Act Regulations (the “MBBCEPA Regs”), 10 Pa. Code § 44.1 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, 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 SMLA.

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

3. Worldwide Financial is licensed as a First Mortgage Banker, license no. 1693, and as a Secondary Mortgage Lender, license no. 11019, with its principal place of business in Pennsylvania located at 245 Centerville Road, Suite 11, Lancaster, Pennsylvania, 17603 (the "Principal Place") and has a licensed branch office located at 50B US Highway 9 N., Morganville, New Jersey (the "Morganville Office").

4. On March 5, 2007, an examination of Worldwide Financial was initiated by the Department at Worldwide Financial's Principal Place (the "Examination").

### Violation of 2006 Consent Agreement and Order

5. On June 5, 2006, a Consent Agreement and Order (the June Order) was executed between the Department and Worldwide Financial for, among other violations, not having all Pennsylvania first and secondary mortgage loan records available for the examiner to review at the time of the examination and not keeping first mortgage loan files separate from secondary mortgage loan files.

6. The June Order corrective action provision provided that Worldwide Financial must maintain all of its Pennsylvania first and secondary mortgage loan files at its principal place of business in Pennsylvania and that Worldwide Financial must keep first and secondary mortgage loan files separated.

7. The Examination revealed that Worldwide Financial continued to maintain all Pennsylvania first and secondary mortgage loan files at the Morganville Office subsequent to the execution of the June Order.

8. Section 308(a)(2) of the MBBCEPA requires a licensee to maintain records at its principal place of business in Pennsylvania unless the Department provides the licensee authorization to maintain those records elsewhere. 63 P.S. § 456.308(a)(2).

9. Section 10(a)(2) of the SMLA requires a licensee to maintain records at its principal place of business in Pennsylvania unless the Department provides the licensee authorization to maintain those records elsewhere. 7 P.S. § 6610(a)(2).

10. Worldwide Financial does not have authorization from the Department to maintain its Pennsylvania first and secondary mortgage loan records at any location other than Worldwide Financial's principal place of business.

11. The Examination revealed that Worldwide Financial continued to not separate its first and secondary mortgage loan files subsequent to the execution of the June Order.

12. Section 308(b) of the MBBCEPA requires a licensee to keep all records separate from any other business. 63 P.S. § 456.308(b).

13. Section 10(c) of the SMLA requires a licensee to keep all records separate from any other business. 7 P.S. § 6610(c).

14. Worldwide Financial has violated the June Order by not following the corrective action.

15. Section 313 of the MBBCEPA provides the Department with the authority to suspend, revoke or refuse to renew any license, after giving 30 days' written notice, for failure to comply with any order promulgated by the Department. 63 P.S. § 456.313(a)(2).

16. Section 19(a)(2) of the SMLA provides the Department with the authority to suspend, revoke or refuse to renew any license, after giving 30 days' written notice, for failure to comply with any order promulgated by the Department.

#### Continuing Education

17. The Examination revealed that Worldwide Financial had not yet completed the required continuing education credits for the July 1, 2006 through June 30, 2007 renewal period for the Principal Place.

18. Section 44.2(a)(1) of the MBBCEPA Regs provides, in relevant part, that a licensee must maintain at least one individual from each licensed office who has successfully completed the required continuing education credits. 10 Pa. Code § 44.2(a)(1).

#### Advertising

19. The Examination revealed that Worldwide Financial's advertising did not indicate that Worldwide Financial was licensed by the Pennsylvania Department of Banking.

20. Section 308(a)(10) of the MBBCEPA provides, in relevant part, that a licensee "[i]nclude in all advertisements language indicating that the licensee is licensed by the department." 63 P.S. § 456.308(a)(10).

21. Section 11(4)(i) of the SMLA provides that all advertising must indicate that the licensee is "licensed pursuant to the Secondary Mortgage Loan Act." 7 P.S. § 6611(4)(i).

#### Fine Authority

22. 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 shall be subject to a fine levied by the department of up to \$2,000 for each offense.” 63 P.S. § 456.314(c).

23. 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**

24. Worldwide Financial is in violation of the following sections of the MBBCEPA:

a. Section 308(a)(2) by not maintaining records of its first mortgage loan business at its principal place of business in Pennsylvania when Worldwide Financial did not have authorization to maintain those records elsewhere;

b. Section 308(a)(10) by advertising without stating that Worldwide Financial is licensed by the Pennsylvania Department of Banking; and

c. Section 308(c) by not keeping records of its first mortgage loan business separate from its secondary mortgage loan business.

25. Worldwide is in violation of the following sections of the SMLA:

a. Section 10(a)(2) by not maintaining records of its secondary mortgage loan business at its principal place of business in Pennsylvania when Worldwide Financial did not have authorization to maintain those records elsewhere;

b. Section 11(4)(i) by advertising without stating that Worldwide Financial is licensed pursuant to the Secondary Mortgage Loan Act; and

c. Section 10(c) by not keeping records of its secondary mortgage loan business separate from its first mortgage loan business.

26. Worldwide Financial is in violation of Section 44.2(a)(1) of the MBBCEPA Regs by not completing the continuing education credits for the Principal Place.

**RELIEF**

27. Fine. Within thirty (30) days of the Effective Date of this Order, Worldwide Financial shall pay the Department a fine in the amount of \$5,000.

28. Corrective Action.

a. Record Keeping.

i. Worldwide Financial shall maintain all Pennsylvania first and secondary mortgage loan records at its licensed principal place of business in Pennsylvania unless the Department otherwise authorizes.

ii. Worldwide Financial shall keep all first mortgage loan records separate from all other businesses, including secondary mortgage loan records

b. Advertising.

i. Worldwide Financial shall disclose that it is licensed by the Pennsylvania Department of Banking.

ii. Worldwide Financial shall disclose that it is licensed pursuant to the Secondary Mortgage Loan Act

c. Continuing Education. Worldwide Financial shall comply with the continuing education requirements as set forth in the MBBCEPA Continuing Education Regulations.

## **FURTHER PROVISIONS**

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

30. Publication and Release. Worldwide Financial consents to the publication and release of this Order.

31. 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 Worldwide Financial.

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

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

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

35. 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 Worldwide Financial in the future regarding all matters not resolved by this Order.

b. Worldwide Financial 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.

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

37. Counterparts. This Order may be executed in separate counterparts.

38. 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 Worldwide Financial intending to be legally bound, do hereby execute this Consent Agreement and Order.

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

~~John Palalai~~, Administrator  
Bureau of Compliance, Investigation  
and Licensing  
Department of Banking

Date: 3-26-08

**FOR WORLDWIDE FINANCIAL RESOURCES, INC.**

(Officer Signature)

(Print Officer Name)

President

(Title)

Date: 3-19-08