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COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING

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COMMONWEALTH OF PENNSYLVANIA	:	Docket No. 09
DEPARTMENT OF BANKING, BUREAU OF	:	
COMPLIANCE, INVESTIGATION AND	:	
LICENSING	:	
	:	
	:	
v.	:	
	:	
DEEAN HAGGERTY	:	

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PA. DEPT. OF BANKING  
(ENF-CO)  
00347

**CONSENT AGREEMENT AND ORDER**

The Commonwealth of Pennsylvania, acting through the Department of Banking (the "Department"), Bureau of Compliance, Investigation and Licensing (the "Bureau"), has conducted an investigation into the business practices of Deean Haggerty ("Haggerty"). Based on the results of the investigation, the Bureau believes that Haggerty operated in violation of 7 Pa. C.S. § 6101 et seq. (the "Mortgage Act"). 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 agreed 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 Mortgage Act.
2. The Bureau is primarily responsible for administering and enforcing the Mortgage Act for the Department.
3. The Mortgage Act is the successor statute to Chapter 3 of the Mortgage Bankers and Brokers and Consumer Equity Protection Act (the "MBBCEPA"), 63 P.S. § 456.301 et seq.,

and the Secondary Mortgage Loan Act (the "SMLA"), 7 P.S. § 6601 et seq. On November, 5, 2008, Chapter 3 of the MBBCEPA and the SMLA were repealed by operation of law and replaced by the Mortgage Act.

4. Haggerty was previously employed by various mortgage related entities throughout the Commonwealth of Pennsylvania, including, but not limited to, First Federated Financial Group, Inc. and Income Management Consultants d/b/a S & P Mortgage Services ("S & P Mortgage") and Atlantis Financial Services, Inc.<sup>1</sup>.

5. S & P Mortgage was licensed as a Loan Correspondent pursuant to the MBBCEPA, license no. 12971, and as a Secondary Mortgage Broker pursuant to the SMLA, license no. 2486 (collectively, the "Licenses"), with its principal place of business in Pennsylvania located at 2200 Georgetown Dr, Ste 203, Sewickley, PA 15143-8750.

6. The Licenses for S & P Mortgage were cancelled, effective September 21, 2007.

7. Haggerty was employed by S & P as a mortgage loan officer.

8. One of Haggerty's duties as a loan officer was generating mortgage loans from leads supplied by S & P Mortgage.

#### Fraudulent Mortgage Activity

9. Deean Haggerty admitted to unknowingly being involved in a scheme where fraudulent mortgage application information was submitted to mortgage lenders, including, but not limited to, inflated income and false employment and/or rental history while working as a loan officer for S & P Mortgage.

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<sup>1</sup> First Federated Financial Group was licensed as a First Mortgage Broker pursuant to the MBBCEPA, license no. 5331, and as a Secondary Mortgage Broker pursuant to the SMLA, license no. 2609. First Federated Financial Group's licenses were cancelled effective October 11, 2005. Atlantis Financial Services, Inc. was licensed as a First Mortgage Banker pursuant to the MBBCEPA, license no. 20110, and as a Secondary Mortgage Lender pursuant to the SMLA, license no. 20111 but is currently licensed pursuant to the Mortgage Act.

10. Specifically, Deean Haggerty knowingly submitted a fraudulent lease agreement and unknowingly submitted other fraudulent documents and information in order to have the loans approved and closed by the mortgage lending institutions.

11. . Haggerty was the S & P Mortgage loan officer for the

a.

12. Haggerty admitted to the following regarding the loan:

a. unknowingly accepting altered employment information for Uniform Residential Mortgage Loan Application and submitting that information to a mortgage lender;

b. unknowingly accepting fraudulent Verifications of Employment and Rent for and submitting that information to a mortgage lender; and

c. Haggerty claims that the information in Paragraph 12 a and b was provided by a third party and that he in turn unknowingly forwarded the fraudulent information to a lender;

d. knowingly providing a fraudulent lease agreement to the mortgage lender to show proof of occupancy and using the name of one of Haggerty's friends as the tenant.

13. Deean Haggerty admitted to Department Investigators that by providing a fraudulent lease agreement he engaged in improper conduct, specifically, conduct that was dishonest, fraudulent, illegal, unfair and unethical regarding the

b.

14. Haggerty unknowingly accepted fraudulent Verifications of Employment and Rent for and submitted that information to a mortgage lender.

15. Haggerty claims that the information in Paragraph 14 was provided by a third party and that he in turn unknowingly forwarded the fraudulent information to a lender.

16. Deean Haggerty admitted to Department Investigators that by unknowingly accepting and submitting fraudulent information to a lender he engaged in improper conduct, specifically, conduct that was dishonest, fraudulent, illegal, unfair and unethical with the  
Jan.

#### Authority of the Department

17. Section 6138(a)(4) of the Mortgage Act (corresponding to Section 310(a) of the MBBCEPA and Section 16(1) of the SMLA) grants the Department broad authority to issue orders for the enforcement of the Mortgage Act. 7 Pa. C.S. § 6138(a)(4) (corresponding to 63 P.S. § 456.310(a) and 7 P.S. § 6616(1)).

#### **RELIEF**

18. Prohibition. Upon the Effective Date of this Order, Deean Haggerty as a natural person or as a corporation or as any other form of organization of any kind whatsoever, consents to a lifetime prohibition from working in the mortgage loan business as regulated by the Mortgage Act as a licensee, employee, independent contractor, agent, representative, or in any other capacity of any kind whatsoever, in any way whatsoever.

#### **FURTHER PROVISIONS**

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

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 Haggerty.

22. Binding Nature. The Department and Haggerty 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. Haggerty hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order ("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 Haggerty in the future regarding all matters not resolved by this Order.

b. Haggerty 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 and by facsimile.

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 Haggerty 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**

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Ryan M. Walsh, Administrator  
Compliance Division

Date: February 20, 2009

**DEEAN HAGGERTY**

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(Signature) HH

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(Print Name) HH

Date: 2-17-09