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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 :

v. :

SINGLE SOURCE MORTGAGE SERVICES, :
INC. :

and :

PETER DEAN KAMARAS, Individual :

Docket No. 08 0116 (ENF-CD)
(ENF-CO)

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 Single Source Mortgage Services, Inc., also known as Single Source Capital, Inc. (hereinafter "Single Source") and Peter Dean Kamaras. Based on the results of the investigation, the Bureau believes that Peter Dean Kamaras operated in violation of 7 Pa. C.S. § 6101 et seq. (the "Mortgage Act"). Single Source and Peter Dean Kamaras deny that they operated in violation of the Mortgage Act. The parties to the above-captioned matter, in lieu of litigation, and intending to be legally bound, hereby stipulate to the following information and agree to the terms of this Consent Agreement and Order ("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Loan Act (the "SMLA"), 7 P.S. § 6601 *et seq.* On November, 5, 2008, Chapter 3 of the MBBCEPA and the SMLA were repealed by operation of law and replaced by the Mortgage Act.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. Single Source is a Pennsylvania Business Corporation owned by Peter Dean Kamaras.

5. Single Source Mortgage Services, Inc. changed its name to Single Source Capital, Inc. on or about March 18, 2008 and did not notify the Department of that name change.

6. Single Source had its principal place of business in Pennsylvania located at 1831 Murray Ave, Ste 210, Pittsburgh, PA 15217-1656.

7. Single Source Mortgage Services, Inc. was licensed as a First Mortgage Broker, license no. 4648, under the MBBCEPA and as a Secondary Mortgage Broker, license no. 2075, under the SMLA.

8. Single Source's First Mortgage Broker license no. 4648 and Secondary Mortgage Broker license no. 2075 were not renewed on or before June 30, 2008, therefore the licenses were cancelled effective July 1, 2008.

9. Beginning in October, 2007, the Bureau conducted an investigation of Single Source.

10. On March 18, 2008, the Bureau issued an investigative subpoena to Peter Dean Kamaras and Single Source, pursuant to Section 401.F of the Department of Banking Code, 71 P.S. § 733-401.F requesting copies of 1) the seller-held second mortgage between Peter Dean Kamaras and the along with any supporting documentation, 2) all invoices related to capital improvements at the Jackson Street Location, 3) personal tax returns and supporting documents for Peter Dean Kamaras for tax year 2006 and 4) corporate tax returns and supporting documents for tax year 2006.

11. Peter Dean Kamaras and Single Source did not provide any documents in response to the investigative subpoena until they filed a Petition to appeal the Bureau's Cease and Desist Order, at which time he provided a copy of his personal tax return dated July 3, 2008.

AUTHORITY OF THE DEPARTMENT

12. Section 6135(a)(4) of the Mortgage Act (corresponding to Section 308(a)(4) of the MBBCEPA) states: "Each licensee shall be subject to examination by the department at its discretion, at which time the department shall have 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 first or secondary mortgage loan business, whether maintained in or outside this Commonwealth." 7 Pa. C.S. § 6138(a)(4).

13. Section 6138(a)(1) of the Mortgage Act (corresponding to Section 310(c)(1) of the MBBCEPA) states: "The department shall have the authority to: (1) Examine any instrument, document, account, book, record or file of a licensee or any person having a connection to the licensee or make other investigation as may be necessary to administer the provisions of this

chapter. Pursuant to this authority, the department may remove any instrument, document, account, book, record or file of a licensee to a location outside of the licensee's office location. The costs of the examination shall be borne by the licensee or the entity subject to the examination."

14. Section 6138(a)(4) of the Mortgage Act (corresponding to Sections 310(a) of the MBBCEPA and 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)).

15. Section 6138 (a) (5) of the Mortgage Act provides the Department with the authority to prohibit or permanently remove a person or licensee responsible for a violation of this chapter from working in any capacity related to activities regulated by the department.

16. Section 6139(a)(3) of the Mortgage Act (corresponding to Section 313(a)(5) of the MBBCEPA) states "The department may suspend, revoke or refuse to renew a license issued under this chapter if any fact or condition exists or is discovered which, if it had existed or had been discovered at the time of filing of the application for the license, would have warranted the department in refusing to issue the license or if a licensee or director, officer, partner, employee or owner of a licensee has: Engaged in dishonest, fraudulent or illegal practices or conduct in a business or unfair or unethical practices or conduct in connection with the mortgage loan business." 7 Pa. C.S. § 6139(a)(3).

17. Section 6140(b) of the Mortgage Act (corresponding to Section 314(c) of the MBBCEPA) provides, in relevant part, that "[a] person licensed under this chapter or director, officer, owner, partner, employee or agent of a licensee who violates a provision of this chapter or who commits any action which would subject the licensee to suspension, revocation or

nonrenewal under section 6139 may be fined by the department up to \$10,000 for each offense.”
7 Pa. C.S. § 6140(b) (corresponding to Section 314(c) of the MBBCEPA, 63 P.S. § 456.314(c),
and Section 22(b) of the SMLA, 7 P.S. § 6622(b).

PARTIES' POSITIONS

18. Based on its investigative findings, the Bureau believes that Single Source and Peter Dean Kamaras acted to secure mortgages in greater amounts from lenders that would not have been obtainable without the creation of seller-held second mortgages that did not truly exist, including one for a property located at _____ for which he was the seller.

19. Both Single Source and Peter Dean Kamaras contend that the seller-held second mortgage on the property Peter Dean Kamaras owned and sold located at 210 Jackson Ave., Pittsburgh was lawful.

20. The Bureau further believes that Peter Dean Kamaras and Single Source falsified verification documents, directly or indirectly, and submitted those forms to lenders for their reliance in approving mortgage loans.

21. Both Single Source and Peter Dean Kamaras deny any wrongdoing relative to verification documents submitted to lenders.

22. It is the Bureau's position that Peter Dean Kamaras violated Section 6139(a)(3) of the Mortgage Act (corresponding to Section 313(a)(5) of the MBBCEPA) by allowing fraudulent information to be submitted to lenders thus having engaged in dishonest, fraudulent, unfair, and unethical practices in connection with the mortgage loan business.

23. It is the Bureau's position that Peter Dean Kamaras violated Section 6139(a)(10) of the Mortgage Act (corresponding to Section 313(a)(14) of the MBBCEPA) by allowing

fraudulent information to be submitted to lenders thus having demonstrated negligence or incompetence in performing an act for which the licensee is required to hold a license under this chapter.

24. It is the Bureau's position that Peter Dean Kamaras violated Section 6135(a)(2) of the Mortgage Act (corresponding to Section 308(a)(2) of the MBBCEPA and Section 10(a)(2) of the SMLA) by not maintaining records at its principal place of business in Pennsylvania.

25. It is the Bureau's position that Peter Dean Kamaras violated Section 401.F of the Department of Banking Code, 71 P.S. § 733-401.F by failing to produce records relating to an investigative subpoena.

26. It is the Bureau's position that Peter Dean Kamaras violated Section 6135(a)(2) of the Mortgage Act (corresponding to section 308(a)(2) of the MBBCEPA) by failing to provide records to the Department.

27. Both Single Source and Peter Dean Kamaras contend that there were no violations of the Mortgage Act or its predecessor statute.

28. Both Single Source and Peter Dean Kamaras deny the alleged violations, but consent to this Order without any admission of wrongdoing, as a compromise of disputed claims.

RELIEF

29. Cease and Desist. This Order is being entered into in resolution of the Cease and Desist Order, docket no. 080116 (ENF-C&D) issued by the Bureau that was timely appealed by Single Source and Peter Dean Kamaras.

30. Prohibition. Upon the effective date of this order, both Single Source and Peter Dean Kamaras, as a natural person or as a corporation, or as any other form of organization of any kind whatsoever, consents to a prohibition from working in any capacity related to activities

regulated by the department in the mortgage loan business under the Mortgage Act, 7 Pa.C.S. § 6101 *et seq.* including but not limited to a licensee, mortgage lender, mortgage broker, loan correspondent, loan originator, loan processor, or assistant to any of the aforementioned, as those terms are defined by the Mortgage Act.

31. Fine. Both Single Source and Peter Dean Kamaras agree, jointly and severally, to pay the Department a fine in the amount of \$1,500 which shall be due and payable within thirty (30) days of the Effective Date of this Order. The fine payment shall be remitted by a 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.

32. Examination Fees. Peter Dean Kamaras and Single Source agree to pay all outstanding examination invoices pursuant to the Department's authority under Section 6138(a)(1) of the Mortgage Act (corresponding to Section 310(c)(1) of the MBBCEPA). Those outstanding bills total \$974.36. Two invoices, one for \$870.98, and one for \$103.38 were billed on 1/18/08 and are invoice numbers 1101885 and 1101410 respectively and represented the fees for the first broker and second broker examinations.

33. Withdrawal of Cease and Desist. The Bureau agrees to withdraw its Cease and Desist Order dated June 30, 2008. The Bureau agrees not to pursue any further action against Single Source and Peter Dean Kamaras for alleged violations of the Mortgage Act in relation to loan transactions identified in paragraph 18 of the Bureau's Answer filed on July 31, 2008 or as identified in the Cease and Desist Order of June 30, 2008, which constitute the entirety of the Bureau's knowledge of alleged improper loan transactions.

FURTHER PROVISIONS

34. Consent. Both Single Source and Peter Dean Kamaras hereby knowingly, willingly, voluntarily and irrevocably consent to the entry of this Order pursuant to the Bureau's order authority under the Mortgage Act and agrees that they understand all of the terms and conditions contained therein. Both Single Source and Peter Dean Kamaras, 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.

35. 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).

36. 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 Peter Dean Kamaras.

37. Binding Nature. The Department and Peter Dean Kamaras intend to be and are legally bound by the terms of this Order.

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

39. Effectiveness. Peter Dean Kamaras hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order ("Effective Date").

40. 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 Single Source and Peter Dean Kamaras in the future regarding all matters not resolved by this Order.

b. Both Single Source and Peter Dean Kamaras 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.

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

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

43. 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, Single Source and Peter Dean Kamaras 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
Bureau of Compliance, Investigation and Licensing

Date: March 3, 2009

FOR SINGLE SOURCE MORTGAGE SERVICES, INC.

(Official Signature)

Peter ^{TDK} Kamaras

Date: 2/27/09

FOR PELENIK DEAN KAMARAS

Date:

2/27/09

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