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COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING

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

Docket No. 09

0011

PA DEPT OF BANKING  
(ENF-CO)

v.

WEXFORD FINANCIAL SERVICES, LTD  
D/B/A WEXFORD FINANCIAL

**CONSENT AGREEMENT AND ORDER**

The Commonwealth of Pennsylvania, acting through the Department of Banking (the "Department"), Bureau of Examinations, has conducted an examination of Wexford Financial Services, LTD d/b/a Wexford Financial ("Wexford 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 Wexford Financial 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 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 Mortgage Act.
2. The Bureau is primarily responsible for administering and enforcing the Mortgage Act.

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5, 2008, Chapter 3 of the MBBCEPA and the Secondary Mortgage Loan Act (the "SMLA"), 7 P.S. § 6601 et seq., were repealed by operation of law and replaced by the Mortgage Act.

4. Wexford Financial was formerly licensed as a First Mortgage Broker, license no. 5762, pursuant to the MBBCEPA and was granted a conditional license pursuant to the Mortgage Act on November 5, 2008.

5. Wexford Financial has its principal place of business in Pennsylvania located at 1619 Grant Ave, Ste 29, Philadelphia, PA 19115-3167 (the "Principal Place") and a licensed branch office located in Mount Holly, NJ.

6. The locations listed in Paragraph 5 are the only licensed locations for Wexford Financial.

7. On February 12, 2008, an examiner from the Department initiated an examination of Wexford Financial at the Principal Place (the "Examination").

8. The Examination revealed violations of the former Chapter 3 of the MBBCEPA.

Unlicensed Activity

9. The Examination revealed that Wexford Financial originated four (4) Pennsylvania mortgage loans from the unlicensed branch location of 296 Amboy Avenue, Metuchen, NJ 08840 (the "Amboy Avenue Location").

10. Specifically, Wexford Financial admitted to originating Pennsylvania mortgage loans from the Amboy Avenue Location and provided the 1003 Uniform Residential Loan Applications and a business card for the loan officer from the Amboy Avenue Location.

11. Section 6131(a)(1)(ii) of the Mortgage Act provides, in relevant part, that an application for licensure shall include the "address of the principal place of business of the applicant and the address or addresses where the applicant's mortgage loan business is to be conducted. 7 Pa. C.S. § 6131(a)(1)(ii) (formerly Section 304(a) of the MBBCEPA, 63 P.S. § 456.304(a)).

12. Section 6132(b)(2) of the Mortgage Act provides that a licensee must pay a renewal fee for each branch office. 7 Pa. C.S. § 6132(b)(2) (formerly Section 305(a) of the MBBCEPA, 63 P.S. § 456.305(a)).

13. Thus, based upon the foregoing, any office of a licensee where Pennsylvania mortgage loan business is conducted pursuant to the Mortgage Act must be licensed as a branch.

Authority of the Department

14. Section 6138(a)(4) of the Mortgage Act grants the Department broad authority to issue orders for the enforcement of the Mortgage Act. 7 Pa. C.S. § 6138(a)(4) (formerly Section 310(a) of the MBBCEPA, 63 P.S. § 456.310(a)).

15. Section 6140(b) of the Mortgage Act 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) (formerly Section 314(c) of the MBBCEPA, 63 P.S. § 456.314(c)).

## VIOLATIONS

16. Wexford Financial is in violation of Sections 6131(a)(1)(ii) and Section 6132(b)(2) of the Mortgage Act (formerly Sections 304(a) and 305(a) of the MBBCEPA) by originating mortgage loans from an unlicensed branch location.

## RELIEF

17. Fine. Wexford Financial agrees to pay the Department a fine in the amount of \$2,000 payable in four (4) payments of \$500. 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 and the fourth payment shall be due within one hundred twenty (120) days of the Effective Date of the 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. Examination Administrative Delinquency Fees. Wexford Financial agrees to pay the examination administrative delinquency fees in the amount \$1,200 in six (6) payments of \$200 with the first payment due within thirty (30) days of the Effective Date of the 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. The fourth payment shall be due within one hundred twenty (120) days of the Effective Date of the Order. The fifth payment shall be due within one hundred fifty (150) days of the Effective Date of this Order and the sixth payment shall be due within one hundred eighty (180) 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.

and subsequent payments due on the first day of the following month thereafter.

19. Corrective Measures. Wexford Financial shall cease and desist from originating mortgage loans from unlicensed locations.

#### FURTHER PROVISIONS

20. Consent. Wexford Financial 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 it understands all of the terms and conditions contained herein. Wexford 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.

21. 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).

22. 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 Wexford Financial.

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

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

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

26. 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 Wexford Financial in the future regarding all matters not resolved by this Order.

b. Wexford 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.

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

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

29. 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 Wexford Financial 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  
Bureau of Compliance, Investigation and Licensing  
Department of Banking

Date: January 14, 2009

**FOR WEXFORD FINANCIAL SERVICES, LTD D/B/A WEXFORD FINANCIAL**

\_\_\_\_\_  
(Officer Signature)

\_\_\_\_\_  
(Print Officer Name)

President  
(Title)

Date: 1/13/09