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COMMONWEALTH OF PENNSYLVANIA  
 DEPARTMENT OF BANKING

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COMMONWEALTH OF PENNSYLVANIA : PA DEPT OF BANKING  
 DEPARTMENT OF BANKING, BUREAU OF :  
 COMPLIANCE, INVESTIGATION AND :  
 LICENSING : Docket No.:100083 (ENF-CO)  
 :  
 v. :  
 :  
 DIAMOND INDUSTRIES, INC. :  
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**CONSENT AGREEMENT**

The Commonwealth of Pennsylvania, acting through the Department of Banking (“Department”), Bureau of Compliance, Investigation and Licensing (“Bureau”) investigated Diamond Industries, Inc. (“Diamond Industries”) and its officers, employees and directors. Based on the results of its investigation, it is the Bureau’s position that Diamond Industries violated the Mortgage Licensing Act (“MLA”), 7 Pa. C.S. § 6101 *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 (“Order”).

**BACKGROUND**

1. The Department is an administrative agency authorized and empowered to administer and enforce the MLA.
  
2. The Bureau is primarily responsible for administering and enforcing the MLA for the Department.

3. Diamond Industries is a company that engages in the home remodeling business located at 3200 48<sup>th</sup> Street, Pennsauken, New Jersey 08109.

4. Diamond Industries is not licensed by the Department to engage in the mortgage loan business.

5. Diamond Industries is registered with the Pennsylvania Office of Attorney General as a home improvement contractor, HIC # PA002311, in accordance with the Home Improvement Consumer Protection Act, 73 P.S. § 517.1 *et. seq.*

6. Because Diamond Industries is registered with the Pennsylvania Office of Attorney General as a contractor, it cannot be licensed to engage in the mortgage loan business in Pennsylvania by the Department. *See* 73 P.S. § 517.3(d).

7. The MLA prohibits persons from engaging in the mortgage loan business in Pennsylvania unless licensed by the Department. *See* 7 Pa. C.S. § 6111.

#### UNLICENSED ACTIVITY

8. On or about December 1, 2009, the Bureau became aware that Diamond Industries had a website located at [www.governmenthomeimproan.com](http://www.governmenthomeimproan.com) ("Website").

9. The Website provided as follows:

Need to do some remodeling but don't have the cash? Did you know that many homeowners qualify for up to \$25,000? *Diamond Industries offers loans* to meet the needs of people who want home remodeling work. Not only is our job to find the loan that best suits you, *but we are committed to finding you a loan with the lowest possible rates.* We will guide you through the entire loan process, from start to finish.

(emphasis added).

10. The Website advertised that Diamond Industries is the

*#1 provider of Reverse Mortgages* in order to repair your home! You can get a HUGE sum of money and NEVER had to make a monthly payment, EVER! You may also consolidate existing debts. *Loans are approved*

*based on age and equity. CREDIT AND INCOME DON'T MATTER.  
Live in your home for the rest of your life with NO MORTGAGE  
PAYMENTS. Call today for details. 888-224-2217*

(emphasis added).

11. The Website explained that Diamond Industries serve "South Eastern Pennsylvania."

12. The Website included the following testimonial by a Pennsylvania resident: "Diamond Industries is an incredible company! They got me a fixed rate of interest of 5% and did a magnificent job of remodeling my kitchen . . . ."

13. In response to the Website, on December 3, 2009, the Department issued a Cease and Desist Order against Diamond Industries, Docket No. 090230 (ENF-C&D).

14. In the Cease and Desist Order, the Department ordered Diamond Industries to stop engaging in the mortgage loan business by advertising, soliciting, arranging for or offering mortgage loans in Pennsylvania without a license in violation of Section 6111 of the MLA, 7 Pa. C. S. §6111.

15. Since the issuance of the Cease and Desist Order, Diamond Industries has been cooperative with the Department.

16. Diamond Industries dismantled the Website.

17. Diamond Industries has provided copies of the advertisements that it placed in Philadelphia newspapers that appeared to solicit mortgage loan business from Pennsylvania consumers. (See copies of the advertisements attached as Appendix A).

18. Diamond Industries has agreed to cease running the aforementioned advertisements in Pennsylvania.

19. Diamond Industries has represented to the Department that it did not use any other brochures, pamphlets, correspondence or any other Internet advertisements or solicitations to obtain mortgage loan business from Pennsylvania consumers.

20. Diamond Industries has represented to the Department that it has not made any mortgage loans to Pennsylvania consumers, including reverse mortgages, because it is a home improvement contractor.

21. Diamond Industries has represented to the Department that it plans to cease doing business as a home improvement contractor in the near future.

22. Given that Diamond Industries has been cooperative with the Department and, to avoid the time and expense of unnecessary litigation, the parties wish to resolve this matter amicably.

23. Nothing herein shall be deemed to constitute an admission by Diamond Industries of any liability, fault or violation of statute, rule or regulation whatsoever, and this Order has been entered by the parties solely for the purposes of settling the matter described herein.

#### **RELIEF**

24. To this end, Diamond Industries agrees to the following:

a. Diamond Industries shall not directly or indirectly advertise or solicit any mortgage loans, including reverse mortgage loans, to Pennsylvania consumers as provided in the MLA, unless licensed by the Department.

b. Diamond Industries shall not negotiate or arrange in the ordinary course of business or offer to make or make mortgage loans for Pennsylvania consumers, including reverse mortgages, as provided in the MLA, unless licensed by the Department.

25. The Cease and Desist Order docketed at Docket No. 090230(ENF-C&D) is hereby withdrawn and replaced by this Order.

### **FURTHER PROVISIONS**

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

27. 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).

28. 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 Diamond Industries.

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

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

31. Effectiveness. Diamond Industries hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order ("Effective Date").

32. 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 Diamond Industries in the future regarding all matters not resolved by this Order.

b. Diamond Industries 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.

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

34. Counterparts. This Order may be executed in separate counterparts and by facsimile or by portable document format (known as pdf) through email.

35. 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 Diamond Industries, Inc. 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**

Jack Talalai, Administrator  
Department of Banking,  
Bureau of Compliance, Investigation and Licensing

Date: 3-15-2010

**FOR DIAMOND INDUSTRIES, INC.**

[Signature]  
(Officer Name)

(Title)

Date: 3/15/10



## Appendix A



**ATTENTION PERSONS  
62 AND OLDER**

Diamond Industries is the area's #1 provider of  
**"REVERSE MORTGAGES"**  
in order to repair your home!

You will get a **HUGE** lump sum of money,  
and **NEVER** have to make a monthly  
payment, **EVER!** You may consolidate  
existing debts as well.

Loans are approved based on  
age and equity,

**CREDIT AND INCOME  
DON'T MATTER!**

Live in your home for the rest of your life.  
**WITH NO MORTGAGE PAYMENT!**

**CALL TODAY FOR DETAILS**

**888-224-2217**

## **Government Insured Loans**

**No Equity, No Appraisal, No Down Payment**

The US Department of Housing & Urban Development (HUD) under Title One of the National Housing Act, has made it possible for families to improve their homes where financial considerations might have otherwise made it impossible.

Homeowners may qualify immediately for up to:

**\$25,000**

No Equity or Appraisal Required. National Home Improvement Lenders and Private Investors have made it possible for families to make major improvements to their homes..... without whose help it might not have been possible.

You may be eligible NOW...no matter how long you have owned your house, ethnic background, location, condition, income, age & marital status.

### **Approved Remodeling Projects:**

- Vinyl Siding
- Heating
- Sunrooms
- Decks
- Additions
- Roofing
- Kitchens
- Doors
- Bathrooms
- Windows
- Basements
- Electrical
- Plumbing
- Garage Doors
- *Other projects can be approved*

No Down Payment Required. Low Monthly Payments.  
Call Now To See If You Qualify For This Program

## **HUD/FHA Insured Loans**

**888-224-2217**

NJ LIC# 13VH00172300

Important Notice: Loans are originated through a third-party Insurance company. HUD/FHA does not originate loans; they only insure them, and does not favor any lender. HUD/FHA does not allow consolidation of your bills. Diamond Industries is not connected to, or endorsed by the FHA or HUD in any way.