

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING

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COMMONWEALTH OF PENNSYLVANIA	:	
DEPARTMENT OF BANKING, BUREAU	:	
OF COMPLIANCE, INVESTIGATION	:	
AND LICENSING,	:	
	:	
	:	
v.	:	
	:	
GLOBE MORTGAGE AMERICA, LLC.	:	
	:	

DEPT. OF BANKING
Docket No. 00 _____ (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 a review of Globe Mortgage America, LLC. ("Globe Mortgage") and its officers, employees and directors. Based on the results of the review, the Bureau believes that Globe Mortgage operated in violation of 7 Pa. C. S. § 6101 et. seq. (the "Mortgage Licensing 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 Licensing Act.
2. The Bureau is primarily responsible for administering and enforcing the Mortgage Licensing Act for the Department.

3. Globe Mortgage is currently licensed under the Mortgage Licensing Act as a Mortgage Lender, license no. 21060, with a Nationwide Mortgage Licensing System and Registry identification number of 62214.

4. Globe Mortgage America, LLC. maintains its principal place of business at 475 Grand Ave. Englewood, NJ 07631.

Capitalization

5. On June 25, 2010 counsel for Globe Mortgage forwarded correspondence to the Department self-reporting that the company had not been in compliance with the net worth requirement of the Mortgage Licensing Act.

6. Section 6131(c)(3) of the Mortgage Licensing Act states "The department shall issue a mortgage lender license applied for under this chapter if the applicant has: established a minimum net worth of \$250,000 at the time of application and will, at all times thereafter, maintain the minimum net worth." 7 Pa. C. S. § 6131(c)(3).

7. The correspondence claims that Globe Mortgage had entered into a purchase agreement with an investor which would provide for a cash infusion and thus allow the company to remain in compliance with the net worth requirement.

8. Globe Mortgage reports that, although an agreement was signed, the investor did not comply with the terms of the agreement which led to the undercapitalization of the company at the end of 2009 and into early 2010.

9. Globe Mortgage found a new investor who recapitalized the company as of March 31, 2010.

10. Globe Mortgage currently maintains the required net worth to be licensed as a mortgage lender under the Mortgage Licensing Act.

Authority of the Department

11. Section 6138(a)(4) of the Mortgage Licensing Act provides the Department the authority to issue orders as may be necessary for the proper conduct of the mortgage loan business and the enforcement of the Mortgage Licensing Act. 7 Pa. C.S. § 6138(a)(4).

12. Section 6140(b) of the Mortgage Licensing 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).

VIOLATIONS

13. Globe Mortgage was in violation of Section 6131(c)(3) of the Mortgage Licensing Act by failing to maintain the minimum net worth requirement of \$250,000 at all times during licensure as a mortgage lender.

RELIEF

14. Fine. Globe Mortgage agrees to pay a fine of nine thousand dollars (\$9,000.00) which shall be due and payable to the Department 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 Pennsylvania Department of Banking and sent to the attention of Compliance Division, Bureau of Compliance, Investigation and Licensing, 17 N. Second Street, Suite 1300, Harrisburg, PA 17101.

15. Corrective Measures. Globe Mortgage agrees to comply with the requirements in order to maintain licensure as a mortgage lender, including, but not limited to, maintaining the required net worth at all times.

FURTHER PROVISIONS

16. Consent. Globe Mortgage hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Bureau's order authority under the Mortgage Licensing Act and agrees that it understands all of the terms and conditions contained herein. Globe Mortgage 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.

17. 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).

18. 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 Globe Mortgage.

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

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

21. Effectiveness. Globe Mortgage hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order (the "Effective Date").

22. 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 Globe Mortgage in the future regarding all matters not resolved by this Order.

b. Globe Mortgage 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.

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

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

25. 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 Globe Mortgage America, LLC., 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 Walsh, Administrator
Bureau of Compliance, Investigation and Licensing
Department of Banking

Date: September 3, 2010

FOR: GLOBE MORTGAGE AMERICA, LLC.

~~(Officer Signature)~~

(Print Officer Name)

PARTNER / MEMBER
(Title)

Date: 8/19/10