



3. Obsidian is licensed by the Department as a Mortgage Lender under the MLA with the License No. 57243 and Nationwide Mortgage Licensing System and Registry ("NMLS") Identification No. 1425046.

4. Obsidian is a corporation.

5. Obsidian maintains its principal place of business at 115 Hickory Street, Suite 206, Melbourne, FL 32904.

6. On January 30, 2017, the Department received a "Cancellation Notice" from Lexon Insurance Company for Obsidian's Sponsor of Mortgage Originator Bond, Bond Number 1135961. The notice stated that the bond would be cancelled on March 8, 2017.

7. On February 27, 2017, Andrew Bohr of the Compliance Office left a voicemail for Dianna Griffiths, President of Obsidian, regarding the bond cancellation. This voicemail was never returned.

8. On March 8, 2017, the Sponsor of Mortgage Originators Bond expired.

9. On March 9, 2017, Andrew Bohr sent an email to Dianna Griffiths at [diannalauren@gmail.com](mailto:diannalauren@gmail.com), stating that the bond had expired and for Dianna to respond to address the issue. No response to the email was received.

10. On March 16, 2017, a Deficiency was set in Obsidian's NMLS filing for a Sponsor of Mortgage Originators Bond.

11. On March 24, 2017, a letter was sent by Certified Mail stating that proof of bond coverage was required by April 4, 2017, or the company could face administrative action. The Certified Mail Receipt was returned showing that the letter was received by Obsidian on March 30, 2017.

12. On April 7, 2017, the Compliance Office received a Sponsor of Mortgage Originators Bond from Obsidian, with Bond No. 1765838 and effective on April 4, 2017, in compliance with Section 6131(c)(5) of the MLA. Although the bond was received on April 7, it was not processed until after April 11, 2017.

13. On April 11, 2017, the Department issued a Suspension Order against Obsidian, with Docket No. 170013, for failure to maintain the required surety bond coverage.

#### Authority of the Department

14. The MLA requires all mortgage licensees, including mortgage lenders, to obtain and maintain a surety bond, in a form acceptable to the Department from a surety company authorized to do business in the Commonwealth. 7 Pa. C.S. § 6131(c)(5).

15. The Department has the authority to issue orders as may be necessary for the proper conduct of the mortgage loan business and the enforcement of the MLA. *See* 7 Pa. C.S. § 6138(a)(4).

16. Section 6139(a)(2) of the MLA authorizes the Department to suspend, revoke or refuse to renew a license if the licensee has “failed to comply with or violated any provisions of the MLA or any regulation or order promulgated or issued by the Department under the MLA.” 7 Pa. C.S. § 6139(a)(2).

17. Section 6140(b) of the MLA provides in relevant part that “[a] person licensed under this chapter or director, officer, owner, partner, employee, mortgage originator 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

18. Obsidian violated the surety bond requirement for mortgage lenders found in Section 6131(c)(5) of the MLA by failing to maintain its surety bond coverage between March 8, 2017 and April 4, 2017. *See* 7 Pa. C.S. § 6131(c)(5).

19. Obsidian obtained the required surety bond effective April 4, 2017, and as of the date of this Order is in compliance with the aforementioned surety bond requirement.

## RELIEF

20. Fine. Obsidian agrees to pay a fine of two-thousand five-hundred dollars (\$2,500) within thirty (30) days of the Effective Date of this Order, as defined in paragraph 28 below. Obsidian's payment shall be remitted by certified check or money order made payable to the Pennsylvania Department of Banking and Securities and sent to the attention of: Pennsylvania Department of Banking and Securities, Compliance Office, 17 N. Second Street, Suite 1300, Harrisburg, PA 17101.

21. Corrective Measures. Obsidian shall ensure that surety bond coverage in the amount required by Section 6131(c)(5) of the MLA is maintained on a continuing basis.

22. Rescission of Suspension Order. The Department's Suspension Order dated April 11, 2017 with Docket No. 170013 is hereby RESCINDED prospectively.

## FURTHER PROVISIONS

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

24. Publication and Release. Obsidian consents to the publication and release of this Order pursuant to the Department's authority in Section 302.A.(5) of the Department of Banking and Securities Code. 71 P.S. § 733-302.A.(5).

25. 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 Compliance Office and Obsidian.

26. Binding Nature. The Compliance Office, Obsidian, and all officers, owners, directors, employees, heirs and assigns of Obsidian intend to be and are legally bound by the terms of this Order.

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

28. Effectiveness. Obsidian hereby stipulates and agrees that the Order shall become effective on the date that the Compliance Office executes the Order (the "Effective Date").

29. 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 Obsidian in the future regarding all matters not resolved by this Order.

b. Obsidian 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.

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

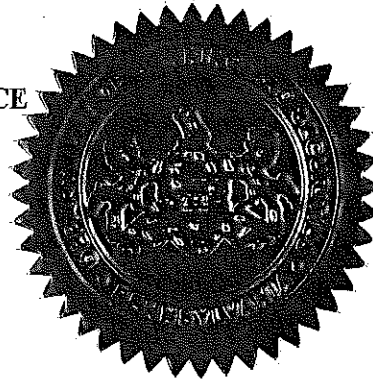
31. Counterparts. This Order may be executed in separate counterparts and by facsimile or electronic mail in portable document format (PDF).

32. 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 Commonwealth of Pennsylvania, Department of Banking and Securities, Compliance Office and Obsidian, intending to be legally bound, do hereby execute this Consent Agreement and Order.

**FOR THE COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING, COMPLIANCE OFFICE**

Redacted  
James Keiser, Administrator  
Department of Banking  
Date: May 2, 2017



**FOR OBSIDIAN FINANCIAL SERVICES, INC.**

Redacted  
(Officer Signature)

Diana Gr. Stiles  
(Officer Name)

President  
(Title)  
Date: 5/1/2017