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COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

PA DEPARTMENT OF
BANKING AND SECURITIES

COMMONWEALTH OF PENNSYLVANIA	:	
DEPARTMENT OF BANKING AND	:	
SECURITIES, COMPLIANCE OFFICE	:	
	:	
	:	
v.	:	
	:	
LEONARD AMBROSE, IV, Individual	:	Docket No. 17 <u>0062</u> (BNK-CAO)

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking and Securities ("Department"), Compliance Office ("Office"), has reviewed the situation regarding Leonard Ambrose, IV ("Ambrose"), and his pending application to become licensed as a mortgage originator under 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 the Commonwealth of Pennsylvania's administrative agency authorized and empowered to administer and enforce the MLA.
2. The Department has delegated to the Office many of its responsibilities for enforcing the MLA.
3. Ambrose is an individual with a mailing address of 5213 Wolf Run Village Ln, Erie, PA 16505.

4. Ambrose has been assigned a unique identifier of #1616838 through the Nationwide Multistate Licensing System & Registry (NMLS).

5. Ambrose is not licensed to engage in the mortgage loan business in any state.

6. Ambrose applied to be licensed as a mortgage originator in Pennsylvania on June 1, 2017.

7. In order to become licensed as a mortgage originator, an individual has to take, and pass, a written test for mortgage loan originators (the "MLO test") developed by NMLS and administered by an NMLS-approved provider. 7 Pa. C.S. §6131.1(c).

8. Ambrose initially took the MLO test in Erie, Pennsylvania, on May 23, 2017.

9. Persons who enroll to take the MLO test agree to the terms and conditions of the Rules of Conduct for Test Takers ("Rules of Conduct"), which are presented to test takers electronically at the test center as part of the automated test process.

10. As he was taking the MLO test, Ambrose was observed several times looking at a note hidden between his legs.

11. The testing center staff confronted Ambrose and confiscated the note but allowed Ambrose to continue taking the test.

12. Ambrose achieved a passing score on the test but, as a result of his using the hidden note, the test score was invalidated.

13. In a letter to investigators dated June 7, 2017, Ambrose admitted that he brought the note, and that he takes full responsibility for his actions and that he wants to sincerely apologize for his actions.

14. Ambrose was allowed to retake the test.

15. Ambrose took the MLO test again on June 23, 2017 and passed without incident.

16. Rule of Conduct #2 states “I must not take or attempt to take any personal items including, but not limited to, notes formulas, study materials, or electronic devices into the testing room. I will place all personal belongings in the locker provided by the testing vendor prior to entering the testing room.”

17. Rule of Conduct #3 states “I must not receive or attempt to receive any form of assistance during the test or restroom breaks.”

18. Rule of Conduct #10 states “I must not engage in any conduct that would be contrary to good character or reputation, or engage in any behavior that would cause the public to believe that I would not operate in the mortgage loan business lawfully, honestly or fairly.”

19. Rule of Conduct #11 states “I must not engage in any conduct that is dishonest or fraudulent, or would adversely impact the integrity of the test or the test procedure.”

AUTHORITY OF THE DEPARTMENT

20. Section 6133(e)(5) of the MLA states that the Department may deny or otherwise restrict a license if it finds that the applicant does not possess the character, reputation, integrity and general fitness to command the confidence of the public and to warrant the belief that the mortgage loan business will be operated lawfully, honestly, fairly and within the legislative intent of this chapter and in accordance with the general laws of this Commonwealth. 7 Pa. C.S. §6133(e)(5).

21. Section 6133(f) of the MLA authorizes the Department to impose conditions on the issuance of any licenses under this chapter. 7 Pa. C.S. §6133(f).

22. By violating the Rules of Conduct, Ambrose demonstrated that he may not have the character, reputation, integrity or general fitness to command the confidence of the public,

thereby justifying the Department's imposition of the foregoing restrictions and conditions on his license.

RELIEF

23. On the effective date of this Order, as defined in paragraph 33 below, the Department will issue a mortgage originator license to Ambrose.

24. Suspension. On the effective date of this Order, Ambrose's newly issued mortgage originator license shall be immediately suspended for a period of thirty (30) days.

25. Fine. Ambrose agrees to pay a fine of two thousand dollars (\$2,000). Payment is due within thirty (30) days of the effective date of the Order. The fine payment shall be remitted by certified check or money order made payable to the "Department of Banking and Securities" and sent to the attention of: Department of Banking and Securities, Compliance Office, 17 N. 2nd Street, Suite 1300, Harrisburg, PA 17101-2290.

26. Education. No later than November 15, 2018, Ambrose shall complete ten (10) credit hours of NMLS-approved ethics education credits. At least five (5) of the credit hours shall be either classroom or classroom-equivalent. Ambrose shall notify the Chief of the Office prior to taking any credit hour courses and shall also provide documentation of completion of the credit hour course to the Chief of the Office.

FURTHER PROVISIONS

27. Consent. Ambrose hereby knowingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Department's order authority under the MLA and agrees that he understands all of the terms and conditions contained herein. Ambrose, by entering into this Order, waives any right to a hearing or appeal concerning the terms, conditions and/or penalties set forth in this Order.

28. Voluntary Surrender for Non-Compliance. Ambrose agrees that, if he does not complete the provisions of this Order within the time frames specified, his mortgage originator license will be deemed to be voluntarily surrendered.

29. Publication. The Department will publish this Order pursuant to its authority in Section 302.A.(5) of the Department of Banking and Securities Code. 71 P.S. § 733-302.A.(5).

30. 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 between the Office and Ambrose.

31. Binding Nature. Both the Compliance Office and Ambrose intend to be and are legally bound by the terms of this Order.

32. Counsel. Ambrose enters this Order upon full opportunity for advice from legal counsel.

33. Effectiveness. Ambrose hereby stipulates and agrees that the Order shall become effective on the date that the Chief of the Office executes it.

34. Other Enforcement Action.

- a. The Office reserves all of its rights, duties, and authority to enforce against Ambrose all statutes, rules and regulations under the Department's jurisdiction in the future regarding all matters not resolved by this Order.
- b. Ambrose acknowledges and agrees that this Order is binding only upon the Department and not any other agency, department, or office regarding matters within this Order.

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

36. 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, the Department of Banking and Securities, Compliance Office, and Ambrose, 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, Chief
Compliance Office
Department of Banking and Securities

Date: October 3, 2017



Redacted

Leonard Ambrose

Date: 9-27-17