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2017 DEC 21 PM 12:54

PA DEPARTMENT OF BANKING AND SECURITIES

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND
SECURITIES, COMPLIANCE OFFICE

v.

Docket No. : 17 0079 (BNK-CAO)

JOHN MARINUS SECKEL, Individual

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Compliance Office of the Department of Banking and Securities ("Department"), has reviewed the practices of John Marinus Seckel ("Seckel") and determined that administrative enforcement action is warranted. The Compliance Office and Seckel now seek to amicably resolve the potential enforcement action. Accordingly, they stipulate that the following statements are true and correct 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 Mortgage Licensing Act, 7 Pa. C.S. § 6101 *et seq.*, ("MLA").
2. The Compliance Office is primarily responsible for administering and enforcing the MLA for the Department.
3. Seckel was licensed by the Department as a mortgage loan originator, license no. 31004, with a NMLS unique identifier of 204324 through the Nationwide Multistate Licensing System & Registry (NMLS).
4. Seckel's listed address is 208 Jane Chapman Drive East, Newtown, PA 18940.

5. Seckel is the President and sole member of Seckel Capital LLC.
6. Seckel Capital LLC operates or was operating from the location of 121 Friends Lane, Suite 301, Newtown, PA 18940.
7. Seckel Capital LLC was licensed under the MLA as a mortgage lender, license number 54162, with a NMLS unique identifier of 139832.
8. Seckel Capital LLC held mortgage licenses in several other states as well as in Pennsylvania.
9. Effective July 14, 2017, Seckel Capital LLC surrendered its Pennsylvania mortgage lender license, number 54162.
10. In July 2017, Seckel Capital LLC surrendered or attempted to surrender all of the other state mortgage licenses which it held at that time.
11. Effective October 31, 2017, Seckel surrendered his individual Pennsylvania mortgage loan originator license, no. 31004.
12. The U.S. Department of Housing and Urban Development ("HUD") is a federal agency charged with encouraging individual home ownership.
13. The Federal Housing Authority ("FHA") is the office in HUD that insures mortgage loans for single family home buyers.
14. On or around January 17, 2012, Seckel Capital LLC was approved as a Title II FHA lender.
15. In order to maintain its status as a FHA lender, a company must recertify with HUD annually.
16. The recertification process includes submitting audited financial statements to HUD.

17. From 2012 through 2015, Seckel Capital LLC submitted financial statements to HUD.

18. As part of the recertification process for fiscal years ending in 2013, 2014 and 2015, Seckel certified to HUD that Seckel Capital LLC was in compliance with HUD and FHA regulations and requirements.

FEDERAL RESPONSE

19. On June 22, 2017, HUD issued a Notice of Suspension and Proposed Debarment ("Notice") informing Seckel of his immediate suspension and proposed debarment for an indefinite period.

20. HUD contended in its Notice that as part of the annual recertification process for fiscal year ending December 31, 2012, December 31, 2013, December 31, 2014, December 31 2015, Seckel, on behalf of Seckel Capital LLC, submitted or caused to be submitted to HUD fraudulent financial statements for 2012, 2013, 2014, and 2015, respectively.

21. HUD contended in its Notice that as a part of the annual recertification process for fiscal year ending December 31, 2013, December 31, 2014, and December 31, 2015, Seckel submitted to the Lender Approval and Recertification Division of HUD, a signed false certification.

22. HUD contended that Seckel caused the submission of 1,040 ineligible loans for FHA insurance.

23. Seckel requested a hearing with HUD and submitted documentation in support thereof.

24. A hearing was scheduled for January 9, 2018.

25. In order to avoid further time and expense and to reach a satisfactory resolution of the matter, HUD and Seckel came to a settlement agreement.

26. The voluntary agreement entered into between Seckel and HUD, after consultation with Seckel's legal counsel, resulted in a debarment for a period of 10 years from participation in any covered federal transaction, in non-procurement transactions and in federal Procurement transactions throughout the executive branch of the Federal Government unless an agency head or an authorized designee grants an exception.

27. If, prior to the Department issuing Seckel a mortgage loan originator license, the Department had discovered that Seckel was conducting his business in a manner that would result in HUD suspending him from participation in transactions with HUD and throughout the Executive Branch of the Federal Government, or in HUD debaring him as described above, the Department would have refused to issue a license to Seckel.

28. Seckel neither admits nor denies the alleged conduct referred to in this Consent Order.

AUTHORITY

29. The MLA at 7 Pa. C.S. § 6139(a) states, in pertinent part, as follows: "Departmental action. – The department may suspend, revoke or refuse to renew a license issued under this chapter if any fact or condition exists or is discovered which, if it had existed or had been discovered at the time of filing the application for the license, would have warranted the department in refusing to issue the license."

30. The MLA at 7 Pa. C.S. § 6138(a)(4) authorizes the Department to "issue orders as may be necessary for the proper conduct of the mortgage loan business by licensees..."

31. The MLA at 7 Pa. C.S. § 6138(a)(5) authorizes the Department to “prohibit or permanently remove a person or licensee responsible for a violation of this chapter from working in the present capacity or in any other capacity of the person or licensee related to activities regulated by the department.”

32. The MLA at 7 Pa. C.S. § 6138(a)(8) authorizes the Department to “impose such other conditions as the department deems appropriate.”

RELIEF

33. Seckel agrees that for the duration of the HUD debarment he shall be prohibited from working as a director, officer, partner, manager or equitable owner of any business regulated by the Department, or from working as an employee or independent contractor for a business while performing duties or activities that are regulated by a statute overseen by the Department.

34. In the event that HUD reduces the debarment period, Seckel shall notify the Department of the reduction.

FURTHER PROVISIONS

35. Consent. Seckel knowingly, willingly, voluntarily, and irrevocably consents to the entry of this Order pursuant to the Department’s order authority under the MLA and waives any right to a hearing or appeal concerning the terms and conditions set forth in this Order.

36. 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).

37. 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 of the Compliance Office and Seckel.

38. Binding Nature. The Compliance Office and Seckel intend to be and are legally bound by the terms of this Order.

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

40. Effectiveness. Seckel hereby stipulates and agrees that the Order shall become effective on the date that the Compliance Office executes it.

41. Other Enforcement Action.

a. The Department and its Compliance Office reserve all rights, duties, and authority to enforce all statutes, rules, and regulations under the Department's jurisdiction against Seckel in the future regarding all matters not resolved by this Order.

b. Seckel acknowledges and agrees that this Order is binding only upon the Department and its Compliance Office and not any other local, state, or federal agency, department, or office regarding matters within this Order.

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

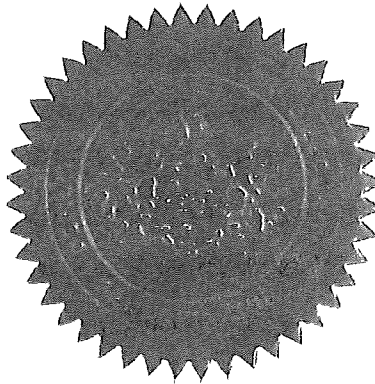
43. Titles. The titles used to identify the paragraphs of this document are for the convenience of reference only and do not control the interpretation of this document.

WHEREFORE, in consideration of the foregoing, the Compliance Office of the Department of Banking and Securities and John Marinus Seckel do hereby execute this Consent Agreement and Order.

**FOR THE COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES
COMPLIANCE OFFICE**

Redacted

James Keiser, Chief
Compliance Office
Department of Banking and Securities



Date: December 21, 2017

Redacted

John Marinus Seckel

Date: 12/20/17