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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. : 18-0097 (BNK-C&D)**
LEONARD AMBROSE IV	:	

NOTICE OF RIGHT TO APPEAL AND HEARING

You have the right to appeal the attached Order within **30 days** of the date of the Order as provided in 1 Pa. Code § 35.37. To appeal the Order, you must file an answer, in writing, with the Docket Clerk as set forth below. **If the Docket Clerk does not receive your answer within 30 days, you will waive your right to a hearing and the Department may enter a final order against you.**

Your Answer must be in writing, specifically admit or deny the allegations in the Order, set forth the facts upon which you rely, and state concisely the matters of law upon which you rely. Mere general denials are inadequate under 1 Pa. Code § 35.37 to raise an issue requiring a hearing or further proceedings. The Answer and any supporting documents must be filed with:

Linnea Freeberg, Docket Clerk
Department of Banking and Securities
17 N. Second St., Ste. 1300
Harrisburg, PA 17101

Further, you must serve a copy of the petition on the person who signed the attached Order by providing a copy to his counsel set forth below:

Gerard M. Mackarevich
Assistant Counsel
Department of Banking and Securities
17 N. Second St., Ste. 1300
Harrisburg, PA 17101

If you file an Answer, you will be notified of pertinent information such as the name of the presiding officer designated to hear this matter and any other pertinent information. You have the right to be represented by an attorney.

All procedural matters will be governed by the Pennsylvania Administrative Agency Law, 2 Pa.C.S. §§ 501-508, 701-704, and the General Rules of Administrative Practice and Procedure, 1 Pa. Code §§ 31.1-35.251.

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LEONARD AMBROSE IV	:	

SUSPENSION AND CEASE AND DESIST ORDER

AND NOW, this 21st day of November 2018, the Department of Banking and Securities ("Department"), Compliance Office ("Office"), hereby PROHIBITS Leonard Ambrose IV ("Ambrose") from working in any capacity in any business regulated by the Department, and orders Ambrose to immediately CEASE AND DESIST from engaging in the mortgage business and any other business regulated by the Department until such time as the prohibition is lifted. In support of its Order, the Office states the following:

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 Office is primarily responsible for administering and enforcing the MLA for the Department.
3. Ambrose was licensed by the Department as a mortgage loan originator, license no. 63119, with a NMLS unique identifier of 1616838, through the Nationwide Multistate Licensing System & Registry (NMLS).

4. Ambrose's listed address is : Redacted .
5. Ambrose applied to be licensed as a mortgage loan originator in Pennsylvania on June 1, 2017.
6. In order to become licensed as a mortgage loan 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).
7. Ambrose initially took the MLO test in Erie, Pennsylvania, on May 23, 2017.
8. 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.
9. As he was taking the MLO test, Ambrose was observed several times looking at a note hidden between his legs.
10. The testing center staff confronted Ambrose and confiscated the note but allowed Ambrose to continue taking the test.
11. Ambrose achieved a passing score on the test but, as a result of his using the hidden note, the test score was invalidated.
12. In a letter to investigators dated June 7, 2017, Ambrose admitted that he brought the note, and that he took full responsibility for his actions and that he wanted to sincerely apologize for his actions.
13. Ambrose took the MLO test again on June 23, 2017, and passed without incident.
14. Rule of Conduct #2 states that a candidate may not take or attempt to take any personal items into the testing room.

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

16. 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."

17. 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."

18. In light of the incident above, the Department was reluctant to issue a mortgage loan originator license to Ambrose.

19. 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).

20. 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).

21. In order to induce the Department to grant him a mortgage loan originator license, Ambrose entered into Consent Agreement and Order ("Consent Order") with the Department (Docket #170062), with an effective date of October 3, 2017.

22. Under the terms of the Consent Order,

a. Ambrose's mortgage loan originator license would be immediately suspended for 30 days beginning October 3, 2017.

b. Ambrose would pay to the Department a fine of $2,000.

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

23. Ambrose's mortgage loan originator license was suspended for 30 days and Ambrose paid the fine of $2,000.

24. Ambrose admitted to the Department that he had not completed ten (10) credit hours of NMLS-approved ethics education credits by November 15, 2018.

25. Additionally, Ambrose did not provide any notification regarding taking ethics education credits and did not provide any documentation that he had completed ethics education credit courses.

26. By not completing the ten (10) credit hours of NMLS-approved ethics education credits by November 15, 2018, and failing to notify the Chief of the Office prior to taking any credit hour courses, or to provide him with documentation of completion of the credit hour courses, Ambrose is in violation of the Consent Order.

AUTHORITY

27. 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..."

28. The MLA at 7 Pa. C.S. § 6139(a)(2) authorizes the Department to suspend a license if the licensee has "[f]ailed to comply with or violated any ... order promulgated or issued by the department under this chapter."

29. The MLA at 7 Pa. C.S. § 6138(a)(7) authorizes the Department to "issue cease and desist orders that are effective immediately..."

30. Beginning on the effective date of this Order, Ambrose's mortgage loan originator license, no. 63119, is hereby suspended.

31. Beginning on the effective date of this Order, Ambrose is hereby **PROHIBITED** from working in any capacity, including but not limited to director, officer, partner, manager, employee, agent, independent contractor or ultimate equitable owner of any business regulated by the Department, until such time as Ambrose receives notice from the Department that it has lifted the suspension of Ambrose's mortgage loan originator license.

32. The Department will not lift the suspension of Ambrose's mortgage loan originator license until Ambrose completes the ten (10) credit hours of NMLS-approved ethics education as required by and specified in the Consent Order and Ambrose provides documentation of completing those credit hours to the Chief of the Office.

33. Nothing in this Order shall prevent the Office from taking any further administrative action as deemed necessary.

WHEREFORE, the Commonwealth of Pennsylvania, Department of Banking and Securities, Compliance Office, under the authority stated above, issues this Suspension and Cease and Desist Order.

IT IS SO ORDERED.

Redacted

James Keiser, Chief
Compliance Office
Department of Banking and Securities

November 21, 2018
(Date)

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing ***Suspension and Cease and Desist Order*** upon the party below, who constitutesthe only party of record in this proceeding, in accordance with the requirements of 1 Pa. Code § 33.31:

BY CERTIFIED AND FIRST CLASS MAIL

Leonard Ambrose IV

Redacted

Dated this 21st day of November 2018.

Redacted

Gerard M. Mackarevich
Assistant Counsel
Attorney ID #: 47529
FOR: Commonwealth of Pennsylvania
Department of Banking and Securities
17 N. Second St., Ste. 1300
Harrisburg, PA 17101