

FILED

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

2021 MAR 15 AM 8:11
PA DEPARTMENT OF
BANKING AND SECURITIES

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND
SECURITIES, COMPLIANCE OFFICE

v.

STRATEGIC FUNDING, LLC

Docket No. : 21 0012 (BNK-ORD)

NOTICE TO ANSWER AND REQUEST A HEARING

You, Strategic Funding, LLC, have the right to challenge the attached Order to Show Cause (“Order”) by filing an Answer, in writing, with the Docket Clerk **within 30 days** of the date of this Order as required by 1 Pa. Code § 35.37. **If you do not file an Answer within 30 days, then you will waive your right to a hearing and the Banking and Securities Commission (“Commission”) may enter a final order against you.**

Your Answer must be in writing. Your Answer must specifically admit or deny the allegations in the Order, set forth the facts you rely upon and state concisely the law you rely upon. General denials of the allegations set forth in the Order are not sufficient; you must support your denials with specific facts. Failure to support your denials with specific facts may cause the Commission to deem the facts in the Order as admitted and to enter a final order against you, without a hearing.

The Answer and any other documents must be filed via first-class mail and electronic mail with the Docket Clerk:

Linnea Freeberg, Docket Clerk
Department of Banking and Securities
17 N. Second Street, Suite 1300
Harrisburg, PA 17101
Email: RA-BNDOCKETCLERK@pa.gov

Further, you must serve a copy of the Answer and any other documents on the person who signed the Order by providing a hard and electronic copy to his or her counsel indicated below:

Christopher G. Giovanis
Assistant Counsel
Department of Banking and Securities
17 N. Second Street, Suite 1300
Harrisburg, PA 17101
Email: RA-BNChiefCounsel@pa.gov

Once you file your Answer, you will be notified of pertinent information such as the name of the presiding officer designated by the Commission to hear this matter and, if a hearing is scheduled, the date, time and location of the hearing. 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.

FILED

2021 MAR 15 AM 8:12

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.

STRATEGIC FUNDING, LLC

Docket No. : 21 0012 (BNK-ORD)

ORDER

1. The Department of Banking and Securities (“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 Department’s Compliance Office is primarily responsible for administering and enforcing the MLA for the Department.

3. Strategic Funding, LLC (“SF”) was licensed as a mortgage broker, license no. 27417, with Nationwide Multistate Licensing System & Registry (“NMLS”) unique identifier 133448, until December 31, 2020.

4. SF did not renew its mortgage broker license which expired on December 31, 2020.

5. SF is a Foreign Limited Liability Company.

6. SF maintains its principal place of business at 2 Kings Highway W., Suite 105, Haddonfield, NJ 08033.

Mortgage Call Report

7. The MLA at 7 Pa. C.S. § 6135 imposes certain requirements on mortgage licensees like SF.

8. The MLA states in pertinent part as follows: “A mortgage broker, mortgage lender or mortgage loan correspondent, or a mortgage originator that is required to obtain and maintain its own bond coverage under section 6131(f)(4) (relating to application for license), on a date determined by the department, shall file periodically, as determined by the department, a report with the department or the Nationwide Mortgage Licensing System and Registry, as determined by the department, setting forth such information as the department shall require concerning the first or secondary mortgage loan business conducted by the licensee. Licensees who fail to file the required report at the date required by the department may be subject to a penalty of \$100 for each day after the due date until the report is filed.” 7 Pa. C.S. § 6135(a)(3).

9. The Department determined that each mortgage licensee was required to complete a Mortgage Call Report (“MCR”) for the third quarter of 2020 through NMLS by November 14, 2020.

10. SF did not complete the MCR for the third quarter of 2020 by the deadline of November 14, 2020.

11. By email dated November 17, 2020, the Compliance Office notified Redacted , the contact person from SF, that the MCR was past due and that they may incur a penalty.

12. By email dated November 23, 2020, the Compliance Office notified Redacted that the MCR has still not been received and that they may incur a penalty.

13. By email dated November 30, 2020, the Compliance Office notified Redacted that the MCR has still not been received and that they may incur a penalty.

14. On December 7, 2020, the Compliance Office telephoned Redacted to notify him that the MCR would need to be completed by the end of the day on December 14, 2020. The phone rang once and disconnected without the option of voicemail. An email was sent to Redacted with this information.

15. On December 8, 2020, the Compliance Office telephoned Redacted to notify him that the MCR would need to be completed by the end of the day on December 14, 2020. The phone rang once and disconnected without the option of voicemail.

16. On December 9, 2020, the Compliance Office telephoned Redacted to notify him that the MCR would need to be completed by the end of the day on December 14, 2020. The phone rang once and disconnected without the option of voicemail.

17. On December 14, 2020, the Compliance Office telephoned Redacted to notify him that the MCR would need to be completed by the end of the day. The phone rang once and disconnected without the option of voicemail.

18. On December 16, 2020, the Compliance Office telephoned Redacted to notify him that the MCR is now past due and would need to be completed immediately. The phone rang once and disconnected without the option of voicemail.

19. On December 22, 2020, the Compliance Office telephoned Redacted to notify him that the MCR is now past due and would need to be completed immediately. The phone rang once and disconnected without the option of voicemail.

20. On December 28, 2020, the Compliance Office telephoned Redacted to notify him that the MCR is now past due and would need to be completed immediately. The phone rang once and disconnected without the option of voicemail.

21. SF did not complete and submit the MCR.

Overdue Examination Invoice

22. On January 7, 2020, the Department issued invoice number 1802442374 in the amount of \$592.67 for costs incurred during the examination on September 19, 2019 (“Exam Invoice”).

23. The Exam Invoice was due within 60 days and was issued pursuant to Section 204 of the Banking and Securities Code (“Code”).

24. SF did not pay the Exam Invoice within 60 days from the date it was issued.

25. Section 204.B of the Code authorizes the Department to assess a \$150 penalty fee when a payment is 60 days delinquent and again for each successive 30-day period of delinquency. 71 P.S. § 733-204. B.

26. The Department sent the first dunning notice via U.S. Mail to SF on April 21, 2020, notifying SF that the Exam Invoice was past due. The first dunning notice also included penalty fee invoice 1802479875 (“First Delinquency Invoice”) in the amount of \$150.00.

27. The Department sent a second dunning notice via U.S. Mail to SF on May 26, 2020, notifying SF that the Exam Invoice and First Delinquency Invoice were past due. The second dunning notice also included a second penalty fee invoice, 1802490919 (“Second Delinquency Invoice”), in the amount of \$150.00.

28. The Department sent a third dunning notice via U.S. Mail to SF on June 23, 2020, notifying SF that the Exam Invoice, First Delinquency Invoice and Second Delinquency Invoice were past due. The third dunning notice also included a third penalty fee invoice, 1802497996 (“Third Delinquency Invoice”), in the amount of \$150.00. (The Invoice, First Delinquency Invoice, Second Delinquency Invoice and Third Delinquency Invoice are collectively referred to as the “Invoices”.)

29. The dunning notices were not returned to the Department as undeliverable.

30. Sections 6135(a)(2) and (4) of the MLA provide that the costs of the examination, including travel costs, shall be borne by the licensee. 7 Pa.C.S. § 6135(a)(2), (4).

VIOLATION

31. By not filing the MCR when it was due, SF violated the MLA at 7 Pa. C.S. § 6135(a)(3).

32. By failing to pay the Invoices, SF is in violation of Sections 6135(a)(2) and (4) of the MLA.

AUTHORITY

33. The Department has the authority to issue orders to enforce the MLA. 7 Pa. C.S. § 6138(a)(4).

34. Section 6135(a)(3) of the MLA authorizes the Department to impose a penalty of up to \$100 for each day after the due date until the MCR is filed.

AND NOW THEREFORE, because SF has failed to file the MCR for the third quarter of 2020, and has failed to pay the Invoices, the Compliance Office, pursuant to its authority referenced above, hereby imposes the following Order:

35. SF is hereby fined \$500 (five hundred dollars), which is payable within 30 days of the date of this order.

36. SF is hereby ordered to pay the Invoices totaling \$1,042.67.

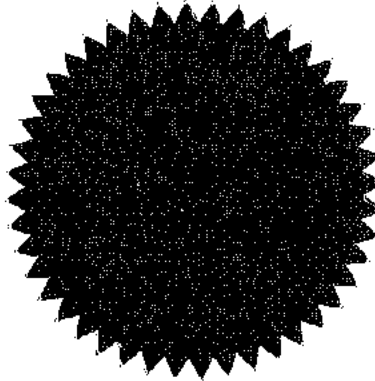
37. Failure to pay the penalty and the Invoices within 30 days may result in additional enforcement action.

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

IT IS SO ORDERED.

Redacted

James Keiser, Chief
Compliance Office
Department of Banking and Securities



03/15/2021

(Date)

FILED

COMMONWEALTH OF PENNSYLVANIA 2021 MAR 15 AM 8:12
DEPARTMENT OF BANKING AND SECURITIES

PA DEPARTMENT OF
BANKING AND SECURITIES

COMMONWEALTH OF PENNSYLVANIA	:	
DEPARTMENT OF BANKING AND	:	
SECURITIES, COMPLIANCE OFFICE	:	
	:	
v.	:	Docket No.: 21-0012 (BNK-ORD)
	:	
STRATEGIC FUNDING, LLC	:	

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing *Order* upon the party below, which constitutes the only party of record in this proceeding, in accordance with the requirements of 1 Pa. Code § 33.32:

BY CERTIFIED AND FIRST CLASS MAIL

Strategic Funding, LLC
2 Kings Highway W
Suite 105
Haddonfield, NJ 08033

Dated this 16th day of March 2021.

Redacted

Eileen Smith, Legal Office Administrator
Office of Chief Counsel
FOR: Commonwealth of Pennsylvania
Department of Banking and Securities
17 North Second Street, Suite 1300
Harrisburg, PA 17101
(717) 787-1471