

FILED

COMMONWEALTH OF PENNSYLVANIA 2022 DEC 12 PM 2:26
DEPARTMENT OF BANKING AND SECURITIES

COMMONWEALTH OF PENNSYLVANIA:	:	PA DEPARTMENT OF
DEPARTMENT OF BANKING AND	:	BANKING AND SECURITIES
SECURITIES, COMPLIANCE OFFICE	:	
	:	
v.	:	DOCKET NO. 22 <u>0054</u> (BNK-ORD)
	:	
KREATED SOLUTIONS, LLC and	:	
JONATHAN DRUMMOND, individually	:	
	:	

NOTICE OF RIGHT TO HEARING AND APPEAL

You have the right to a hearing, upon request, within 14 days of the attached Order to Cease and Desist ("Order"). 7 Pa.C.S. § 6138(a)(7). To request a hearing, you must submit the request in writing with the Docket Clerk as set forth below. **If the Docket Clerk does not receive your hearing request, you will waive your right to a hearing and the Order will be deemed final. Final orders of the Department may be appealed to the Pennsylvania Commonwealth Court. See 2 Pa.C.S. § 702 and 42 Pa.C.S. § 763.**

The hearing request and all other documents relating to this matter must be filed via first-class mail and electronic mail with the Docket Clerk:

Eileen Smith, Docket Clerk
Department of Banking and Securities
17 N. Second St., Ste. 1300
Harrisburg, PA 17101
RA-BNDOCKETCLERK@pa.gov

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

Office of Chief Counsel
Department of Banking and Securities
17 N. Second St., Ste. 1300
Harrisburg, PA 17101
RA-BNCHIEFCOUNSEL@pa.gov

Once you file your hearing request, you will be notified of pertinent information such as the name of the presiding officer designated by the Banking and Securities 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.

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

DEPARTMENT OF
BANKING AND SECURITIES

COMMONWEALTH OF PENNSYLVANIA:
DEPARTMENT OF BANKING AND
SECURITIES, COMPLIANCE OFFICE

v.

DOCKET NO. 22 0054 (BNK-ORD)

KREATED SOLUTIONS, LLC and
JONATHAN DRUMMOND, individually,

ORDER TO CEASE AND DESIST

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 ("MLA"), 7 Pa. C.S. § 6101 *et seq.*

2. The Compliance Office is primarily responsible for administering and enforcing the MLA for the Department.

3. Jonathan Drummond was, at all times material herein, an individual with addresses at Redacted and 20 Commerce Drive, 1st Floor, Cranford, New Jersey 07016, and is the manager and sole owner of Kreated Solutions, LLC ("Kreated").

4. Kreated was, at all times material herein, a New Jersey limited liability company with an address at 20 Commerce Drive, 1st Floor, Cranford, New Jersey 07016,

5. Neither Kreated, nor Jonathan Drummond has a license in Pennsylvania to engage in the mortgage loan business, or conduct business as a mortgage broker, mortgage lender, mortgage loan correspondent, or mortgage originator.

6. Neither Kreated, nor Jonathan Drummond is registered with the Pennsylvania Department of State Bureau of Corporations to conduct business in Pennsylvania.

7. The MLA defines “mortgage loan business,” in pertinent part, as “[t]he business of advertising, causing to be advertised, soliciting, negotiating or arranging in the ordinary course of business or offering to make or making mortgage loans.” 7 Pa. C.S. § 6102.

8. The MLA defines “mortgage loan” as “[a] first or secondary mortgage loan, or both, a lease-purchase agreement or a mortgage loan modification, as the context may require.” 7 Pa.C.S. § 6102.

BACKGROUND

9. The Department received a complaint from a Pennsylvania consumer (“PA Consumer”) alleging that Kreated was engaging in a Pennsylvania mortgage loan business without a license from the Department.

10. The PA Consumer was, at all times material herein, an individual residing in Pennsylvania.

11. An investigation by the Department confirmed that in or about July 2022, Kreated solicited and accepted advance fees of at least \$2,500 (“Advance Fees”) from the PA Consumer after executing a Standard Working Agreement (“Agreement”) with the PA Consumer, whereby Kreated agreed to provide the PA Consumer with 100% financing at 3.5% on a Federal Housing Administration loan and 3% on a Conventional loan for a single-family home in East Stroudsburg, Pennsylvania.

12. Kreated failed to provide financing or any services as contracted under the Agreement to the PA Consumer for the purchase of a single-family home in East Stroudsburg, Pennsylvania.

13. Kreated, despite numerous requests from the PA Consumer, failed to return the Advance Fees the PA Consumer paid to Kreated.

14. By soliciting, negotiating or arranging in the ordinary course of business or offering to make or making mortgage loans, Kreated actively engaged in and held itself out as being engaged in the "mortgage loan business" as defined in the MLA, 7 Pa. C.S. §§ 6102; 6151(1)(i).

VIOLATIONS

15. The MLA prohibits engaging in the mortgage loan business in Pennsylvania without being licensed as a mortgage broker, mortgage lender, mortgage loan correspondent, or mortgage originator license. 7 Pa. C.S. § 6111(a).

16. Kreated violated the MLA by engaging in the mortgage loan business in Pennsylvania without a license.

AUTHORITY

17. Section 6138(a)(1) of the MLA, 7 Pa. C.S. § 6138(a)(1), authorizes the Department to make investigations as necessary to administer the provisions of the MLA.

18. Section 6138(a)(3) of the MLA, 7 Pa. C.S. § 6138(a)(3), authorizes the Department to request and receive information or records of any kind.

19. Section 6138(a)(4) of the MLA, 7 Pa. C.S. § 6138(a)(4), authorizes the Department to issue orders as may be necessary for the enforcement of the MLA.

20. Section 6138(a)(6) of the MLA, 7 Pa. C.S. § 6138(a)(6), authorizes the Department to order a person to make restitution for actual damages to consumers caused by any violation of this Chapter.

21. Section 6138(a)(7) of the MLA, 7 Pa. C.S. § 6138(a)(7), authorizes the Department to issue cease and desist orders.

AND NOW THEREFORE, The Department, pursuant to its authority referenced above hereby imposes the following Order:

22. Upon the effective date of this Order, Kreated, Jonathan Drummond and any and all officers, members, managers, employees, independent contractors, agents and any related entities shall cease and desist from engaging in the mortgage loan business subject to the MLA, including, but not limited to, advertising (including website advertising), accepting advance fees, accepting applications and negotiating mortgage loans or mortgage loan modifications in Pennsylvania or to Pennsylvania consumers, unless and until such time that Kreated is licensed by the Department pursuant to the MLA.

23. Within ten (10) days of the date of this Order, Kreated and Jonathan Drummond, shall provide the Compliance Office with the following:

1. Evidence that Kreated or Jonathan Drummond has returned the advance fees it accepted from the PA Consumer in the amount of two thousand five hundred dollars (\$2,500).

2. Copies of all contracts which Kreated, Jonathan Drummond, or any related entities have entered into with Pennsylvania consumers.

3. A listing of all Pennsylvania consumers who have applied for mortgage loans or mortgage loan modifications from Kreated, Johnathan Drummond, or any related entities.

The listing should include:

- i. the name and address of the Pennsylvania consumers;
- ii. the date of the application;
- iii. the status of the application e.g., in process, loan or modification granted, application denied, application withdrawn, etc.; and
- iv. the amount of money paid by the Pennsylvania consumer relating to the application.

24. Kreated or Jonathan Drummond shall provide the above information to Theresa Jones, Non-Depository Financial Institution Examiner, Compliance Office, via email at thejones@pa.gov within ten (10) days of the date of this Order.

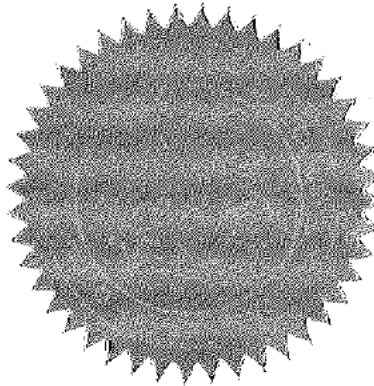
25. Nothing in this Order shall prevent the Compliance Office from taking any further administrative action as deemed necessary.

IT IS SO ORDERED.

Redacted

Digitally signed by John Talalai
Date: 2022.12.12 13:56:07
-05'00'

John Talalai, Compliance Director
Compliance Office
Department of Banking and Securities



12/12/2022

(Date)

FILED

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

2022 DEC 12 PM 2:27

COMMONWEALTH OF PENNSYLVANIA:	:	PA DEPARTMENT OF
DEPARTMENT OF BANKING AND	:	BANKING AND SECURITIES
SECURITIES, COMPLIANCE OFFICE	:	
	:	
v.	:	DOCKET NO. 22 <u>0054</u> (BNK-ORD)
	:	
KREATED SOLUTIONS, LLC and	:	
JONATHAN DRUMMOND, individually	:	
	:	

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing Order upon the parties below, who constitute the only parties of record in this proceeding, in accordance with the requirements of 1 Pa. Code §§ 33.35, 33.36 and 33.37:

BY CERTIFIED AND FIRST-CLASS MAIL

Kreated Solutions
20 Commerce Drive, 1st Floor
Cranford, NJ 07016

Johnathan Drummond
Redacted

Dated this 13th day of December, 2022.

Redacted

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