

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.

**COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES**

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

v.

FIX FINANCIAL, INC.

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Docket 230029 (BNK-ORD)

SUSPENSION 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 (“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. Fix Financial, Inc. (“Fix Financial”), was, at all times material herein, a California corporation with a principal place of business at 610 Newport Center Drive, Ste. 340, Newport Beach, California 92660.

4. Fix Financial is currently licensed as a Mortgage Lender, license no. 99957, Nationwide Mortgage Licensing System & Registry (“NMLS”) identification no. 1976229.

BACKGROUND

SURETY BOND COVERAGE

5. Section 6131(c)(5) of the MLA requires mortgage lenders to obtain and maintain a surety bond from a surety company authorized to do business in the Commonwealth.

6. On May 2, 2023, the Department received a “Cancellation Notice” from Liberty Mutual Surety Company indicating that Fix Financial’s Sponsor of Mortgage Originator Bond, Bond Number 014247699 was cancelled, effective March 21, 2023.

7. On May 5, 2023 and June 2, 2023, Staff of the Compliance Office (“Staff”) called and left voicemail messages for the Chief Executive Officer of Fix Financial, Charbel Maksoud (“Maksoud”), at (800) 460-3005 on May 5, 2023 and June 2, 2023. Staff did not receive a response to any of these calls.

8. Staff emailed Fix Financial on May 3, 5, 8, 15, 22, 26, 31, and on June 22 and 26 2023, informing Fix Financial that the Department received the bond cancellation notice for Bond Number 014247699 and directing Fix Financial to provide proof of bond coverage.

9. Staff email communications were sent to the following individuals: (1) Chief Executive Officer Maksoud at charbel@loyaltylending.com and charbel@fixfinancial.com; (2) Vice President Christian Mijes at Redacted ; (3) Qualifying Individual Officer Ibrahim Mustafa at Redacted ; and (4) Qualifying Individual Officer Farnaz Amirchoopani at Redacted . Staff did not receive a response to any of these emails.

10. On July 11, 2023, Staff set a system deficiency in NMLS informing Fix Financial that failure to provide proof of bond coverage could result in the Department initiating an enforcement action.

11. To date, Fix Financial has failed to provide proof of bond coverage.

MORTGAGE CALL REPORT

12. Pursuant to Section 6135(a)(3) of the MLA, “[a] mortgage broker, mortgage lender, mortgage servicer 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), 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.” 7 Pa.C.S. § 6135(a)(3).

13. Section 6135(a)(3) of the MLA further provides that, “[I]icensees 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).

14. Licensees are required to complete a Mortgage Call Report (“MCR”) through NMLS quarterly. *See* Mortgage Call Report, Section III – MCR Submissions, <https://mortgage.nationwidelicencingsystem.org/slr/common/mcr/Pages/default.aspx>.

15. Fix Financial’s first quarter MCR for 2023 was due by May 15, 2023.

16. Fix Financial failed to file its MCR for the 1st quarter of 2023 by May 15, 2023.

17. Staff emailed Fix Financial on May 16, 22, 30 and on June 12 and 14, 2023, informing Fix Financial that the MCR was past due and that Fix Financial may be subject to penalties. Staff’s email communications were sent to the following individuals: (1) Chief Executive Officer Maksoud at charbel@loyaltylending.com; (2) Vice President Christian Mijes at Redacted ; (3) Qualifying Individual Officer Ibrahim Mustafa at Redacted ; (4) and Qualifying Individual Officer Farnaz Amirchoopani at Redacted . Staff did not receive a response to any of these emails.

18. On June 5, 2023 and June 16, 2023, Staff called and left voicemail messages for Maksoud at 800-460-3005 and Redacted . Staff did not receive a response to either of these calls.

19. On June 15, 2023, Staff called Redacted and spoke with Farnaz Amirchoopani who stated that she was no longer employed with Fix Financial and did not have any additional contact information for members of Fix Financial.

20. On June 16, 2023, Staff called Redacted and left a voicemail message for Ibrahiim Mustafa. Staff did not receive a response.

21. On June 20, 2023, Staff called the following numbers and left voicemail messages for Maksoud: 888-816-1411; 800-460-3005; and Redacted . On June 20, 2023, Maksoud returned Staff's phone call and stated the business is almost bankrupt, but Maksoud was unsure if Fix Financial wanted to surrender their license. On June 20, 2023, Maksoud confirmed that Fix Financial did not want to surrender their Pennsylvania license and would complete the MCR as soon as possible to reduce fines.

22. On June 27, 2023, Staff called Redacted and left a voicemail message for Maksoud.

23. On June 30, 2023, Staff received a call from Maksoud, and Maksoud stated that he will be out of the country for five weeks but will make sure "someone" will complete the MCR.

24. On July 18, 2023, Fix Financial filed its 1st quarter MCR.

FINANCIAL CONDITION

25. Section 6131(c)(3) of the MLA provides that "[a] Mortgage Lender must establish a minimum net worth of \$250,000 at the time of application and will, at all times thereafter, maintain the minimum net worth." *See* 7 Pa.C.S. § 6131(c)(3).

26. Section 6131(a) of the MLA provides in pertinent part that "...all applicants and licensees shall use the Nationwide Mortgage Licensing System and Registry to obtain and maintain licenses under this chapter." *See* 7 Pa.C.S. § 6131(a).

27. NMLS provides functionality for the electronic submission of company financial statements via NMLS. NMLS requires existing licensees to submit their annual financial statements within 90 days following their Fiscal Year End. *See* Financial Statements, <https://mortgage.nationwidelicencingsystem.org/slr/common/fs/Pages/default.aspx>.

28. Fix Financial's fiscal year end is February 28th of each calendar year, which makes Fix Financial's deadline to submit 2023 financial statements via NMLS May 29, 2023.

29. Fix Financial failed to submit Fix Financial's 2023 financial statements by May 29, 2023.

30. A system deficiency was sent in NMLS on May 30, 2023, notifying Fix Financial of the requirement to submit financial statements for the 2023 Fiscal Year.

31. To date, Fix Financial has not provided financial statements to establish that it has maintained the minimum net worth, as required by Section 6131(c)(3).

VIOLATIONS

32. By failing to provide and maintain a surety bond, Fix Financial is in violation of Section 6131(c)(5) of the MLA.

33. By failing to timely file the MCR, Fix Financial violated Section 6135(a)(3) of the MLA.

34. By failing to provide financial statements showing Fix Financial has maintained the minimum net worth of two hundred fifty thousand dollars (\$250,000), Fix Financial is in violation of Section 6131(a) and (c)(3) of the MLA.

AUTHORITY

35. Section 6139(a)(2) of the MLA authorizes the Department to suspend, revoke or refuse to renew a license if the licensee has “[f]ailed to comply with or violated any provision of

this chapter or any regulation or order promulgated or issued by the department under this chapter.”
7 Pa.C.S. § 6139(a)(2).

36. Pursuant to section 6138(a)(4) of the MLA, the Department has the authority to issue orders for enforcement including “the authority to suspend any license issued pursuant to the MLA if a licensee has failed to comply with or violated any provision of the MLA.” 7 Pa. C.S. § 6139(a)(2).

37. Section 6140(b) of the MLA authorizes the Department to impose a fine of up to \$10,000 for any violation of the MLA.

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

AND NOW THEREFORE, since Fix Financial has failed to provide a Sponsor of Mortgage Originators Bond, untimely filed the MCR for the 1st quarter of 2023, and has failed to provide financial statements showing it has maintained the minimum net worth of \$250,000 the Compliance Office, pursuant to its authority referenced above, hereby imposes the following Order:

1. As per the Department’s authority in Section 6140(b) of the MLA, Fix Financial is hereby fined ten thousand dollars (\$10,000) for failing to provide and maintain a surety bond, six thousand four hundred dollars (\$6,400) for filing the 1st quarter 2023 MCR late, and ten thousand dollars (\$10,000) for failing to provide financial statements showing Fix Financial has maintained the minimum net worth of two hundred fifty thousand dollars, for a total of twenty-six thousand four hundred dollars (\$26,400), payable within 30 days of the date of this order through the Department’s Portal at <https://www.portal.dobs.pa.gov>.

2. Beginning on the effective date of this Order, Fix Financial's Mortgage Lender license, shall be **SUSPENDED**, meaning that Fix Financial and its owners, officers, directors and/or employees, shall not engage in the mortgage loan business in Pennsylvania as defined in Section 6102 of the MLA, 7 Pa.C.S. § 6102, until such time that the following conditions are met:

a. Fix Financial provides a Sponsor of Mortgage Originators Bond in the amount of at least \$100,000.

b. Fix Financial pays the \$26,400 fine referenced above.

c. Fix Financial provides 2022 Year-End Financial Statements, 1st quarter of 2023 Financial Statements, and 2nd quarter Financial Statements in NMLS.

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

IT IS SO ORDERED.

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

09/08/2023
(Date)

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

COMMONWEALTH OF PENNSYLVANIA	:	
DEPARTMENT OF BANKING AND	:	
SECURITIES, COMPLIANCE OFFICE	:	
	:	
v.	:	
	:	
FIX FINANCIAL, INC.	:	Docket No. : 230029 (BNK-ORD)
	:	

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing Suspension 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 AND E-MAIL

Fix Financial, Inc.
120 Newport Center Drive #100
Newport Beach, CA 92660
charbel@loyaltylending.com
charbel@fixfinancial.com

Redacted

Dated this 8th of September 2023.

Redacted

Eileen Smith, Legal Assistant
Office of Chief Counsel
FOR: Commonwealth of Pennsylvania
Department of Banking and Securities
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Harrisburg, PA 17101
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