

State of New York
Banking Department

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In the Matter of

INTERCONTINENTAL CAPITAL GROUP, INC.
B500861

SETTLEMENT AGREEMENT

A Licensed Mortgage Banker Pursuant To
Article XII-D of the New York Banking Law
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This Settlement Agreement ("Agreement") is made and entered into by and between Intercontinental Capital Group, Inc. ("Intercontinental") and the State of New York Banking Department ("Banking Department"), collectively ("the Settling Parties"), evidencing an agreement between the Settling Parties to resolve, without a hearing, the violations cited herein by Intercontinental of Part 38 of the General Regulations of the Banking Board ("GRBB"), 3 N.Y.C.R.R. Part 38, upon and subject to the terms and conditions hereof.

I.

RECITALS

1. Intercontinental, headquartered at 55 East 59th Street, 4th Floor, New York, New York, 10022 was granted a license by the Banking Department on March 02, 2006 to engage in the business of a mortgage banker pursuant to Article XII-D of the New York Banking Law ("Banking Law").

2. Section 44 of the Banking Law provides, in part, that the New York Superintendent of Banks ("the Superintendent") may, in a proceeding after notice and a hearing, require a licensed mortgage banker to pay to the people of this State a penalty for a violation of the Banking Law and any regulation promulgated thereunder.

3. Part 38 Section 38.8 of the General Regulations of the Banking Board, provides

that a mortgage banker may be subject to disciplinary action by the Banking Department for, among other things, violations of Article 12-D of the Banking Law, the regulations promulgated thereunder, or violations of state or federal law indicating that the entity is unfit to engage in the business of a mortgage banker.

4. The United States Congress enacted the Economic Stimulus Act of 2008 on February 13, 2008.

5. In the first quarter of 2009, Intercontinental sent mail solicitations to New York homeowners (“the solicitation”). A copy of the solicitation is annexed as Exhibit A.

6. The solicitation letter prominently states “ECONOMIC STIMULUS ACT” and “CASE NUMBER ICG 123-4567890” in the space normally occupied by the name and address of the sender of the letter. Intercontinental’s name and address is only included in small print on the bottom of the page with no indication that Intercontinental is the sender of the letter.

7. The solicitation letter is also mailed in an envelope in which the phrase “Economic Stimulus Act CASE NUMBER ICG 123-4567890” is placed in the space normally occupied by the sender’s return address. Intercontinental’s name and address is not included on the envelope; the envelope does not identify the sender of the letter.

8. By failing to identify Intercontinental as the advertiser and by substituting the phrase “Economic Stimulus Act CASE NUMBER ICG 123-4567890” in the place for Intercontinental’s address and legal name, the mail solicitation appears to be from an agency of the U.S. government, when, in fact, it is not .

9. Accordingly, the Department alleges that the solicitation violates GRBB Part 38.2(e), which provides that no mortgage banker shall fraudulently or deceitfully advertise a mortgage loan, or misrepresent the terms, conditions or charges incident to a mortgage loan in any advertisement therefore.

II

SETTLEMENT TERMS AND CONDITIONS

Without admitting or denying the Department's findings, Intercontinental is willing to resolve the violations cited herein by entering into this Agreement and freely and voluntarily waives its right to a hearing under Banking Law Section 595 on such violations. Therefore, in consideration of the promises and covenants set forth herein, the Settling Parties agree, as follows:

1. Intercontinental agrees to take all necessary steps to ensure its compliance with all applicable federal and state laws, regulations, and supervisory requirements relating to its mortgage business, including, but not limited to:

- a. Complying with the requirements of the Federal Truth-In-Lending Act and Regulation Z , Article 12-D of the New York Banking Law, and Part 38 of the General Regulations of the Banking Board; and
- b. ensuring that its advertisements do not mislead consumers as to the terms and conditions of credit it is offering and that such advertisements disclose clearly and conspicuously the existence of material terms, conditions, and limitations relating to any advertised offer of credit; and
- c. ensuring that it will not advertise terms of credit using footnotes, asterisks, small print and color contrasts that materially contradict or modify the principal message of its advertisements, and will disclose clearly and conspicuously all material information.

2. Intercontinental agrees to develop appropriate written advertisement policies and procedures designed to ensure compliance with all applicable federal and state laws, regulations, supervisory requirements, and guidelines. The policies and procedures shall, at a minimum: (i) designate an individual responsible for monitoring compliance with all

applicable federal and state laws, regulations, supervisory requirements, and guidelines;

(ii) include a listing of all applicable laws, regulations, and truth in advertising guidelines;

(iii) establish a mechanism for ensuring that all applicable laws, regulations, and truth in advertising guidelines are met; (iv) establish a training program to ensure that Intercontinental and its employees involved in preparing or approving advertisements understand all applicable federal and state laws, regulations, and truth in advertising guidelines.

3. Within ninety (90) days from the effective date of this Agreement, Intercontinental agrees to submit a draft of its advertisement policies and procedures to the Banking Department.

4. Within one hundred twenty (120) days from the effective date of this Agreement, Intercontinental agrees to submit a copy of its final advertisement policies and procedures to the Banking Department together with a letter from an authorized officer of Intercontinental indicating his/her approval of such policies and procedures. Intercontinental further agrees to provide copies of all advertisements run by it for consumers in New York, New Jersey, and Connecticut, for the twelve (12) month period following the effective date of this Agreement.

5. Intercontinental agrees to pay a fine of \$ 6,000 in settlement of this matter. Intercontinental further agrees that such payment will be made in immediately available funds in accordance with Banking Department payment instructions.

III.

MISCELLANEOUS TERMS AND CONDITIONS

1. The Settling Parties acknowledge that Intercontinental's failure to comply with any of the settlement terms and conditions of this Agreement may result in the Banking Department taking action to revoke Intercontinental's license to engage in the business of

a mortgage banker under Article 12-D of the Banking Law.

2. The Settling Parties acknowledge that entering into this Agreement shall not bar, estop, or otherwise prevent the Superintendent, or any state, federal or local agency or department or any prosecutorial authority from taking any other action affecting Intercontinental, any of its current or former owners, officers, directors, employees, or insiders, or their successors or assigns.

3. This Agreement may not be altered, modified or changed unless in writing signed by the Superintendent or his designee.

4. This Agreement shall be enforceable and remain in effect unless stayed or terminated in writing by the Superintendent or his designee.

5. The effective date of this Agreement is the date on which it is executed by the Deputy Superintendent of Banks for Mortgage Banking.

6. All written communications to the Banking Department regarding this Agreement should be sent as follows.

Attention:

Rholda L. Ricketts
Deputy Superintendent of Banks
Mortgage Banking Division
State of New York Banking Department
One State Street,
New York, New York 10004

7. All written communications to Intercontinental regarding this Agreement should be sent as follows.

Attention:

Richard M. Steinberg
Intercontinental Capital Group, Inc.
55 East 59th Street, 4th Floor
New York, NY 10022

8. This Agreement is not confidential; therefore it is available to the public.

WHEREFORE, the Settling Parties hereto have caused this Agreement to be executed.

By: _____

Richard M. Steinberg
Intercontinental Capital Group, Inc.

Dated: _____

By: _____

Rholda L. Ricketts
Deputy Superintendent of Banks
State of New York Banking Department

Dated: _____

ECONOMIC STIMULUS ACT

CASE NUMBER ICG 122-1021117

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STATUS:

Our records indicate that you have not responded to our previous attempts to notify you of your eligibility. Contact us toll free at 1-866-347-2977 before the final date of March 7, 2009.

The Economic Stimulus Act has allowed the Federal Housing Authority (FHA) to temporarily adjust lending policies to soften the crisis for mortgage holders and to promote economic stimulus.

HOW THIS BENEFITS YOU:

You have been selected by our FHA lending division and are now eligible to apply for lower fixed rates, mortgage payment reduction, debt consolidation and/or receive cash out. Distribution of funds will be made available to you via secure wire or priority overnight delivery within 72 hours of funding.

For details of benefits and availability of funds, call the number below and provide your case number.

CALL TOLL FREE 1-866-347-2977

CASE NUMBER: ICG 122-1021117



Intercontinental Capital Group 80 Orville Drive, Bohemia, NY 11716 is an approved FHA lender. Not an agency of the federal government. All loans are subject to credit approval and appraisal. Programs, rates, terms and conditions are subject to change without notice. Other restrictions may apply. Licensed Mortgage Banker - NYS Banking Department License Number 105723, Licensed by The PA Banking Department License Number 1800, CT License Number 16351, MD License Number 13347, Licensed by the New Jersey Department of Banking and Insurance. Licensed by the State of Florida Office of Financial Regulation #51197.