

*State of New York*  
*Banking Department*

\_\_\_\_\_ X  
In the Matter of

**Wall Street Mortgage Bankers Ltd. DBA  
Power Express  
B500331**

**SETTLEMENT AGREEMENT**

A Licensed Mortgage Banker Pursuant To  
Article XII-D of the New York Banking Law  
\_\_\_\_\_ X

This Settlement Agreement ("Agreement") is made and entered into by and between Wall Street Mortgage Bankers Ltd. DBA Power Express ("Wall Street") 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 Wall Street of Part 38 of the General Regulations of the Banking Board, 3 N.Y.C.R.R. Part 38, 12 C.F.R. Section 226.24, Section 5(a) of the Federal Trade Commission Act (Title 15 U.S.C. Section 45), Title 16 C.F.R. Part 255, New York State General Business Law Article 22-A Sections 349 and 350, and New York Business Corporation Law Section 301, upon and subject to the terms and conditions hereof.

**I.**

**RECITALS**

1. Wall Street Mortgage Bankers Ltd. DBA Power Express, headquartered at 1111 Marcus Avenue, 3rd Floor, Lake Success, NY 11042, was granted

a license by the Banking Department on October 18, 1991 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 (“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 (“GRBB”), 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 there under, or violations of state or federal law indicating that the entity is unfit to engage in the business of a mortgage banker.

4. Wall Street ran TV advertisements for residential mortgage loans in various cable and network channels in New York (“TV advertisements”) from April 2008 to January 2009. One of them was an infomercial with a duration of almost 30 minutes. Snapshots of the advertisements are annexed as Exhibit A. Each of the other commercials are brief advertising spots less than five minutes (“short TV commercials”).

5. Wall Street also published online advertisements for residential mortgage loans in the websites [www.1800591bank.com](http://www.1800591bank.com), and [www.wsbankers.com](http://www.wsbankers.com). Samples of the advertisements are annexed as Exhibit B and Exhibit C, respectively.

### **Omission of Paid Advertisement**

6. The infomercial starts with printed disclosures which include “The following sponsored program is brought to you by Wall Street Mortgage Bankers”.

7. The infomercial starts announcing that it is a program called “Currency,

the show with the most current information regarding your finances.”

8. The infomercial ends with printed disclosures which include “The preceding sponsored program is brought to you by Wall Street Mortgage Bankers”.

9. The infomercial includes a segment which prominently states and announces “Breaking News”, and announces Jeffrey Mark as a Washington DC Bureau Chief reporting from Washington DC.

10. By including the words “Breaking News” both in video and audio, and announcing Jeffrey Mark as a Washington DC Bureau Chief reporting from Washington DC, the program represents directly and by implication that “Currency” is broadcasting news and it is a news program.

11. The infomercial fails to clearly and conspicuously disclose the fact that “Currency” is a paid advertisement.

12. As such, the infomercial violates Section 5(a) of the Federal Trade Commission Act (Title 15 U.S.C. Section 45) which prohibits unfair or deceptive acts or practices in or affecting commerce, and New York State General Business Law (“NYGBL”) Article 22-A Section 349, which declares deceptive practices unlawful, and Section 350, which declares false advertisement unlawful.

13. Additionally, the infomercial violates the General Regulations of the Banking Board, (“GRBB”) Part 38 Section 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 therefor.

### **Endorsements**

14. The infomercial has actors giving endorsements of Wall Street’s

Services.

15. “Currency” fails to disclose that the individuals endorsing Wall Street’s services are not actual satisfied customers, but in fact are actors who are compensated.

16. As such, the infomercial violates Title 16 C.F.R. § 255.2(c) which provides in general that advertisements presenting endorsements by what are represented, directly or by implication, to be “actual consumers”, clearly and conspicuously disclose that the persons in such advertisements are not actual consumers of the advertised product.

17. In addition, the infomercial violates Title 16 C.F.R. § 255.5 which provides in general that in advertisements where there exists a connection between the endorser and the seller of the advertised product or service that might materially affect the weight or credibility of the endorsement, such connection must be fully disclosed.

18. The infomercial represents directly that Meridith Orlow is an “an expert in all money matters”.

19. Meridith Orlow is in fact an actress without any credentials to support the representation that she is “an expert in all money matters”.

20. As such, the infomercial violates Title 16 C.F.R. § 255.3(a) which provides in general that whenever an advertisement represents, directly or by implication, that the endorser is an expert with respect to the endorsement message, then the endorser's qualifications must in fact give the endorser the expertise that he or she is represented as possessing with respect to the endorsement.

21. Such infomercial also violates Section 5(a) of the Federal Trade Commission Act (Title 15 U.S.C. Section 45) which prohibits unfair or deceptive acts or practices in or affecting commerce, and New York State General Business Law (“NYGBL”)

Article 22-A Section 349, which declares deceptive practices unlawful, and Section 350, which declares false advertisement unlawful.

### **Other Advertised Representations**

22. Wall Street's TV commercials prominently stated "approval in minutes".

23. The phrase "approval in minutes" is similar to "immediate approval" of a loan application.

24. The phrase "approval in minutes" represents directly and by implication that Wall Street can underwrite and approval a mortgage loan within an hour. Prudent underwriting requires a lender to diligently verify and document a borrower's income and ability to repay.

25. As such, Wall Street's TV commercials violate GRBB Part 38 Section 38.2(e), which provides in general 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 therefor and, in particular in Section 38.2(e)(1) that an advertisement shall be deemed fraudulent, deceitful or misleading if it provides "immediate approval" of a loan application.

26. Additionally, the TV commercials violate New York State General Business Law Article 22-A Section 349, which declares deceptive practices unlawful, and Section 350, which declares false advertisement unlawful.

### **Unauthorized Use of Assumed Name and Restricted Words**

27. Wall Street has published advertisements for residential mortgage loans on its website [www.1800591bank.com](http://www.1800591bank.com) since July 31, 2008.

28. Wall Street has published advertisements for residential mortgage

loans on its website [www.wsbankers.com](http://www.wsbankers.com) since August 21, 2007.

29. Wall Street failed to obtain authorization from the Banking Department to use either website to advertise residential mortgage loans.

30. According to the Department's June 1, 2000 industry letter, the domain name of any website used by a licensee to conduct mortgage banking or brokering activity qualifies as a business address, and each domain name needs to be approved.

31. The website [www.1800591bank.com](http://www.1800591bank.com) solicits business using the name 800591bank.com.

32. Although this website stated "Wall Street Mortgage Bankers", Wall Street has not requested, or received approval, from the Banking Department to use the name 800591bank.com, and did not receive approval from the Banking Department to use the restricted word "bank".

33. Therefore, the website [www.1800591bank.com](http://www.1800591bank.com) violates General Business Law Section 130.1(b) which provides that no person or corporation shall carry on or conduct or transact business in this state under any name or designation other than his or its real name.

34. The advertisement also violates New York Business Corporation Law Section 301(a)(5)(B), which provides, in general, that the name of a domestic or foreign corporation shall not contain the word "bank" without the prior approval of the superintendent of banks.

### **No Closing Costs**

35. The website [www.wsbankers.com](http://www.wsbankers.com) prominently stated "NO CLOSING COST REFINANCING" and included the representations such as "No credit report fee, no appraisal fee, no title fees, no underwriting fees, simply zero fees."

36. These statements represent directly and by implication that the consumer will not have to pay any fees to Wall Street or to third parties to obtain financing.

37. The advertisement failed to disclose any conditions or limitations on this offer and whether the consumer was responsible for other standard third party fees such as attorney fees, property taxes and title insurance. The statement in the advertisement to “please contact us for more details” was inadequate to cure these omissions.

38. Therefore, the advertisement violates GRBB Part 38 Section 38.2(e), which provides in general 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 therefor.

39. Additionally, the advertisement violates NYSGBL Section 349, which declares deceptive practices unlawful, and Section 350, which declares false advertisement unlawful.

### **Required Legend**

40. The short TV commercials and both websites failed to include the required legend “Licensed Mortgage Banker – NYS Banking Department”.

41. Therefore, the short TV commercials and both websites violate GRBB Part 38 Section 38.2(a) which requires that mortgage banker advertisements in New York include the legend “Licensed Mortgage Banker – NYS Banking Department” or words to like effect.

## II.

### SETTLEMENT TERMS AND CONDITIONS

Without admitting or denying the Department's findings, Wall Street is willing to resolve the violation cited herein by entering into this Agreement and freely and voluntarily waives its right to a hearing under Banking Law Sections 44 and 598 on such violations. Therefore, in consideration of the promises and covenants set forth herein, the Settling Parties agree, as follows:

1. Wall Street 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 12 C.F.R. 255, Article 12-D of the Banking Law, and Part 38 of the General Regulations of the Banking Board; and

b. ensuring that its television commercials will not mislead consumers to believe that the commercials are news programs and they are broadcasting news, and clearly and conspicuously disclosing that such advertisements are paid advertisements; and

c. ensuring that advertisements presenting endorsements by what are represented, directly or by implication, to be "actual consumers" utilize actual consumers, or clearly and conspicuously disclose that the persons in such advertisements are not actual consumers of the advertised product; and clearly identifying itself by the names as stated on its mortgage banker license in New York State on any advertisement for credit; and

d. not using any website or domain name that has not been approved by the Superintendent or the word "bank" in its name without prior approval by the

Superintendent; and

e. ensuring that it does not advertise immediate approval of loans, including by words such as “approval in minutes”; and

f. ensuring that its advertisements do not misrepresent the fees for obtaining financing, including, representing, directly or by implication, that there are no fees associated with obtaining credit when that is not the case; and

g. ensuring that its advertisements do not otherwise 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

h. 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. Wall Street 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 Wall Street 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, Wall Street 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, Wall Street 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 Wall Street indicating his/her approval of such policies and procedures. Wall Street further agrees to provide copies of all advertisements run by it for the twelve (12) month period following the effective date of this Agreement.

5. Wall Street agrees to pay a fine of \$ 15,000 payable in five (5) equal monthly installments as follows:

- \$3,000 upon execution of this Agreement
- \$3,000 each on or before the 15<sup>th</sup> day of immediately following four (4) months.

6. Wall Street 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 Wall Street'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 Wall Street'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 Wall Street, any of its current or former owners, officers, directors, employees, or insiders, or their successors or assigns with respect to the violations cited herein, or any other matter whether related or not to such violations.

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 Wall Street regarding this Agreement should be sent as follows.

Attention:

Keith D. Kantrowitz  
Wall Street Mortgage Bankers Ltd. DBA  
Power Express  
1111 Marcus Avenue, 3rd Floor  
Lake Success, NY 11042

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: \_\_\_\_\_

Keith D. Kantrowitz  
Wall Street Mortgage Bankers Ltd. DBA  
Power Express

Dated: \_\_\_\_\_

By: \_\_\_\_\_

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

Dated: \_\_\_\_\_



**Wall Street** FREE INFORMATION HOTLINE

**Mortgage Bankers 800-591-BANK (2265)**

**has 30 years of experience getting loans for customers**

# LOAN SPECIALISTS STANDING BY



## Approval in Minutes

Wall Street FREE INFORMATION HOTLINE

Mortgage Bankers 800-591-BANK (2265)

Package \* Refinance now at historically low rates \* Cor

# The preceding sponsored program is brought to you by Wall Street Mortgage Bankers

Are an Equal Housing Lender licensed Mortgage Banker. NYS Banking Department,  
Licensed by the AR Business License Number 29733, AR, AZ Licensed by the California  
Department of Corporations under the Residential Mortgage Lending Act, CO,  
CT-Correspondent Mortgage Lender, DE, Licensed issued by the DC Department of  
Insurance, Securities and Banking, FL, Georgia Residential Mortgage License, HI, IA, ID,  
Illinois Residential Mortgage License, IN, KY, Kansas licensed Mortgage Company, MA,  
MD, ME, MO, MI, MT, Licensed by the New Hampshire Banking Department, Licensed by  
the New Jersey Department of Banking and Insurance, NM, OH, OR, Licensed by the  
Pennsylvania Department of Banking under the supervision of the Secondary Mortgage Loan  
Act, Rhode Island Licensed Lender, SC, TN, TX, Licensed by the Virginia State Corporation  
Commission, VT, WA, WI, and WY. All rates, fees, terms and guidelines are subject to  
change without notice. Not responsible for errors, conducting business under Wall Street  
Mortgage Bankers, Ltd. Wall Street Mortgage, Inc., Wall Street Mortgage, Power Express,  
Power Express Mortgage Bankers, Power Express Mortgage Bankers, Ltd. Express Power  
Mortgage, Express Power Mortgage, Inc.

Apply Online or Call Us (800) 591-BANK

Fill out our 60 Second Application



Contact Information

First Name\*                      Last Name\*

Address                              City

State                                      Zip Code  
 Select State

Home Phone\*                      Work or Cell Phone\*

Best time to call                      E-mail\*  
 -select-

Info For Purchase Loan Only Est. Purchase

Credit Rating                      Price of Property  
 - Select -                              --select--

Rate Type                              Loan Amount Desired  
 Fixed                                      --select--

Have You Found A home              Purchase Time Frame  
 - Select -                              -Select-

Mortgage Cost  
 --select--

Down Payment  
 Loan Special  
 Funding by



Questions? Call Us at  
 (800) 591-BANK

Call Today



Welcome to  
**800591Bank.com**

At 800591Bank.com, we treat each customer as an individual, not another number. We will work with you every step of the way.

Welcome to Wall Street Mortgage Bankers, Ltd.'s Web Site

At Wall Street Mortgage Bankers, Ltd., we treat each customer as an individual, not a number. We don't place you into a loan profile formula created by the banking industry. We use common sense and will help you obtain the best loan possible. We represent a wide range of rated lenders with first quality rates to private equity lenders.

Congress has just passed new home loan limits like \$729,000 on Co-ops and \$934,000 on 2 Family homes. The government wants you to purchase a new home right now that's why they're offering the most extensive government-assisted programs in history! These programs are available to you, but you don't call the government directly! Special certified companies are set up to handle the process for you. Special companies like Wall Street Mortgage Bankers, Ltd. We're a direct lender with Fannie Mae, Freddie Mac and FHA and we're asking: "Whad'ya need?".

Wall Street Mortgage Bankers has what you need.  
 Call us at 1-800-591-BANK

Whad'ya need?

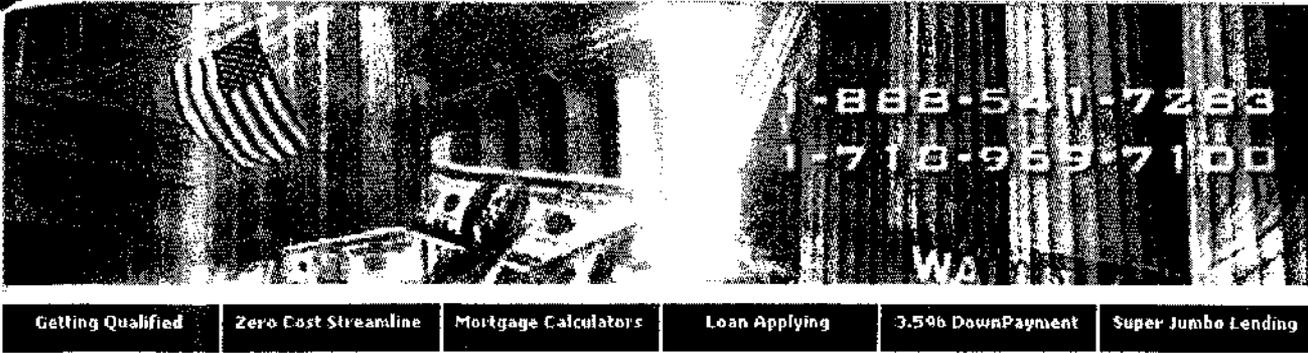
"I need \$900,000 to buy a 2 family home we found so my kids can come live with us."

Wall Street Mortgage Bankers has what you need.  
 Call us at 1-800-591-BANK

Whad'ya need?

"Our building just went Co-op and we need \$700,000 to buy in."

Wall Street Mortgage Bankers has what you need.  
 Call us at 1-800-591-BANK



## Closing Costs

There are certain standard costs associated with closing the sale of a house. These fees are split between the buyer and the seller, as spelled out in the sales contract.

I will walk you through the closing costs, answering any questions you may have explaining which costs are decreed by law to be yours and which are negotiable.

### Good Faith Estimate

**Buyers** will receive a "Good Faith Estimate" of closing costs at the time the loan application is submitted to the lender. The estimate is based on the loan officer's past experience and may not include all the closing costs. I will be glad to review the "Good Faith Estimate," answering questions and highlighting missing costs and estimates I believe to be low.

**NO CLOSING COST REFINANCE-** Yes, a true no cost refinance available. **NO credit report fee, no appraisal fee, no title fees, no underwriting fees, simply zero fees. Please contact us for more details.**

\*Subject to an approval, must qualify.

### Standard Closing Costs for loans with closing cost. Your Choice

#### Loan-Related Costs

- Loan Origination Fee -0%
- Points (optional)
- Appraisal Fee -\$300 on a single family residence
- Credit Report- \$8.50
- Interest Payment (depending on date closing)
- Escrow Account

#### Taxes

- Property Taxes
- Transfer Taxes and Recording Fees

#### Insurance

- Homeowners Insurance
- Flood or Quake Insurance