

State of New York
Banking Department

SETTLEMENT AGREEMENT

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In the Matter of

GG Mortgage Services, Inc.

A004915

SETTLEMENT AGREEMENT

A Mortgage Broker Registered 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 GG Mortgage Services, Inc. ("GG Mortgage") 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 GG Mortgage of Section 591-a (3) of the Banking Law and Part 410 Section 410.14 of the Superintendent's Regulations, upon and subject to the terms and conditions hereof.

I.

RECITALS

1. GG Mortgage, headquartered at 263-16 Hillside Avenue Floral Park, NY 11004 was granted a registration by the Banking Department on January 19, 2000 to engage in the business of a mortgage broker 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 registered mortgage broker to pay to the people of this State a penalty for a violation of the Banking Law and any regulation promulgated there under.

3. Part 38 Section 38.8 of the General Regulations of the Banking Board, provides that a mortgage broker 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 broker.

4. On April 13, 2010, during an internal review of surety bonds issued in 2004, the Department discovered that Nova Casualty Company cancelled the bond we have on record for GG Mortgage, effective July 1, 2006.

5. On April 13, 2010, the Department received a notice dated May 22, 2006, from Nova Casualty Company confirming the cancellation of GG Mortgage surety bond.

6. On April 14, and May 5, 2010, the Department sent letters to GG Mortgage advising that it has been operating without an active surety bond since July 1, 2006, and GG Mortgage must secure a bond retroactive July 1, 2006, or obtain a deposit agreement of not less than \$10,000.

7. On June 30, 2010, GG Mortgage provided the Department with a replacement surety bond issued by Liberty Mutual Insurance Company, effective May 21, 2010.

8. On July 19, 2010, the Department sent a letter to GG Mortgage advising it to secure a surety bond immediately to cover July 1, 2006 through May 21, 2010 it operated without a bond, or obtain a deposit agreement of not less than \$10,000.

9. Accordingly, GG Mortgage violates Section 591-a (3) of the Banking Law and Part 410 Section 410.14 of the Superintendent's Regulations, which requires each mortgage broker to obtain a corporate surety bond or enter into a deposit agreement and maintain such surety or deposit agreement as a condition for retention of the mortgage broker registration.

II

SETTLEMENT TERMS AND CONDITIONS

Without admitting or denying the Department's findings, GG Mortgage is willing to resolve the violation cited herein by entering into the Agreement and freely and voluntarily waives its right to a hearing under Banking Law Sections 44 and 595 of such violations. Therefore, in consideration of the promises and covenants set forth herein, the Settling Parties agree, as follows:

1. GG Mortgage understands the terms and conditions of the Settlement Agreement, freely and voluntarily waives its right to a hearing on the charges made and any and all appeal relating to this matter.

2. GG Mortgage agrees to pay a fine of \$5,000, payable in twelve monthly installments of \$416.67, with the first installment due January 30. The remaining eleven payments are due by the 15th of each month until the fine is fully paid. The installments shall be made in electronic transfers, immediately available funds, pursuant to transfer instructions received from the Banking Department. Failure to make timely payment on any of the installments shall result in immediate revocation of Registrant's registration.

3. GG Mortgage agrees to take all necessary steps to ensure its compliance with Section 591-a (3) of the Banking Law and Part 410 Section 410.14 of the Superintendent's Regulations.

III.

MISCELLANEOUS TERMS AND CONDITIONS

1. The Settling Parties acknowledge that GG Mortgage's failure to comply with the settlement terms and conditions of this Agreement may result in the Banking Department taking action to revoke GG Mortgage's registration to engage in the business of a mortgage broker 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 GG Mortgage, any of its current or former owners, officers, directors, employees, or insiders, or their successors.

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. This 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 GG Mortgage regarding this Agreement should be sent as follows.

Attention:

Mr. Pritpal S. Walia
GG Mortgage Services, Inc.
263-16 Hillside Avenue
Floral Park, NY 11004

and /or

Mr. Pritpal S. Walia
80-39 Langdale Street
New Hyde Park, NY 11040

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: _____

Mr. Pritpal S. Walia
GG Mortgage Services, Inc.

Dated: _____

By: _____

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

Dated: _____