New York State

Department of Financial Services

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In the Matter of

HOMEQUEST MORTGAGE & FINANCIAL SERVICES CORP.
A006033

SETTLEMENT AGREEMENT

A Registered Mortgage Broker 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 Homequest Mortgage & Financial Services Corp. ("Homequest Mortgage" or "Registrant") and the New York State Department of Financial Services (the "Department" together with Homequest Mortgage, collectively defined as the "Settling Parties"), evidencing an agreement between the Settling Parties to resolve, without a hearing, the violations of Section 102.1(c) (1) of Supervisory Procedure MB 102 and Section 1005(a) (1) of the New York Business Corporation Law ("Business Corporation Law"), cited herein by the Department, upon and subject to the terms and conditions hereof.

I.

RECITALS

1. Homequest Mortgage, headquartered at 250 Fulton Avenue, Suite 420, Hempstead, NY 11550 was granted a registration by the Department on August 10, 2004 to engage in the business of a mortgage broker pursuant to Article 12-D of the New York Banking Law ("Banking Law").

2. Section 44 of the Banking Law provides, in part, that the Superintendent of

Financial Services (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. Section 38.8 of the General Regulations of the Banking Board provides that a mortgage broker may be subject to disciplinary action by the 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. Homequest Mortgage was incorporated under the laws of the State of New York on September 15, 2003.

5. During a review of Homequest Mortgage's corporate records for the purpose of placing it in inactive status, the Department noted that the New York Secretary of State's records indicated that Homequest Mortgage's status as an entity was dissolved by proclamation on January 27, 2010.

6. On December 20, 2011, the Department notified the Registrant that due to the dissolution of Homequest Mortgage's status to do business, the Department could not process its inactive request.

7. For the period that Homequest Mortgage was dissolved with the Department of State, Homequest Mortgage maintained an active registration with the Department and remained on the Roll of Registered Mortgage brokers, even though its status as a corporation was dissolved. Hence, Homequest Mortgage violated Section 1005(a) (1) of the Business Corporation Law, which states that after dissolution the corporation shall carry on no business except for the purpose of winding up its affairs.

8. Furthermore, the Registrant failed to notify the Department of its corporate dissolution in violation of Supervisory Procedure MB 102.1(c) (1), pursuant to which the

Registrant certified that the Superintendent will be promptly advised of any changes which may occur in the information furnished in the application, subsequent to the date upon which the information was furnished.

9. Homequest Mortgage was reinstated with the New York Department of State, effective January 9, 2012.

II.

SETTLEMENT TERMS AND CONDITIONS

The Registrant 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 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. The Registrant 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.

2. The Registrant agrees to pay a fine of $1,500 payable in six monthly installments, with the first installment of $250 due upon execution of this Agreement. The remaining five installments of $250 each are due by the 15th of each successive month until the fine is fully paid.

3. The Registrant further agrees that such installments shall be made in immediately available funds in accordance with the Department's payment instructions. Failure to make timely payment on any of the installments shall result in immediate revocation of Homequest Mortgage's registration.

III.

MISCELLANEOUS TERMS AND CONDITIONS

1. The Settling Parties acknowledges that Homequest Mortgage's failure to comply

with any of the settlement terms and conditions of this Agreement may result in the Department taking action to revoke Homequest 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 Homequest Mortgage, 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 or her designee.

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

Attention:

Rholda L. Ricketts
Deputy Superintendent
State of New York Department of Financial Services
One State Street,
New York, New York 10004

7. All written communications to Homequest Mortgage regarding this Agreement should be sent as follows:

Attention:

Sondra D. Miles-Yarbrough
Homequest Mortgage & Financial Services Corp.
250 Fulton Avenue, Suite 420
Hempstead, NY11550

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.

Homequest Mortgage & Financial Services Corp.

By:_____

Sondra D. Miles-Yarbrough
President

Dated: _____

State of New York Department of Financial Services

By: _____

Rholda L. Ricketts
Deputy Superintendent

Dated: _____