

New York State Department
of Financial Services

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In the Matter of

Michael Monteforte
NMLS NO. 147292

SETTLEMENT AGREEMENT

A Licensed Mortgage Loan Originator Pursuant to
Article 12-E of the New York Banking Law

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This Settlement Agreement ("Agreement") is made and entered into by and between Michael Monteforte ("Mr. Monteforte") and the New York State Department of Financial Services (the "Department" and collectively with Mr. Monteforte, the "Settling Parties") and evidencing an agreement between the Settling Parties to resolve, without a hearing, the violations of Article 12-E of the New York Banking Law (the "Banking Law"), and 3 NYCRR Part 420, upon and subject to the terms and conditions hereof.

I.

RECITALS

1. Mr. Monteforte, while a mortgage loan officer for registered mortgage broker Canyon Mortgage Corp., was granted a license pursuant to Article 12-E of the Banking Law on December 29, 2010 to engage in business as a mortgage loan originator ("MLO").

2. Section 44 of the Banking Law provides, in part, that the Superintendent may, in a proceeding after notice and a hearing, require a mortgage loan originator to pay to the people of this State a penalty for a violation of the Banking Law and any regulation promulgated thereunder.

3. 3 NYCRR Part 420, Section 420.21(g) provides that a fine may be imposed against an MLO for any violation of the Banking Law, any regulation promulgated thereunder, any final or temporary order issued pursuant to Section 39 of the Banking Law, any condition imposed by the Superintendent in connection with the granting of any application or request or any written agreement entered into with the Superintendent.

Conducting Business at an Unlicensed Location

4. Mr. Monteforte operated a branch office at 480 Forest Ave, Suite 509, Locust Valley, NY 11560 without proper authority from the Department to operate such branch.

5. Accordingly, Mr. Monteforte violated 3 NYCRR Section 420.19(b), which requires that every MLO engage in mortgage loan activities in a manner such as to command the confidence of the community and to warrant belief that his activities are conducted honestly, fairly and free of deceptive practices.

Conducting Business with an Unregulated Entity

6. Mr. Monteforte conducted regulated mortgage activities with an entity identified as Helping Hand Mortgage, Inc., and via the website “evergreenfin.com.”

7. Accordingly, Mr. Monteforte violated 3 NYCRR Sections 420.20(a)(1) and 38.7(a)(2), which prohibits an MLO from conducting business with an entity which it knows or should have known is an unregistered mortgage broker or an unlicensed mortgage banker.

Misleading Advertisement

8. Upon information, the website operated by Mr. Monteforte made the following representation: “REGISTERED MLO #147292 NYS BANKING DEPARTMENT – ALL LOANS ARRANGED BY THIRD PARTIES.”

9. Accordingly, Mr. Monteforte violated 3 NYCRR Section 420.20(a)(4), which prohibits an MLO from misrepresenting his or her license status, or persuading or inducing a borrower to apply for a mortgage loan under the belief that such MLO is a duly licensed mortgage banker or registered mortgage broker.

II

SETTLEMENT TERMS AND CONDITIONS

Michael Monteforte is willing to resolve the violations by entering into this Agreement and freely and voluntarily waives his right to a hearing under Banking Law Sections 44 and 3 NYCRR Section 420.21, on such violations. Therefore, in consideration of the promises and covenants set forth herein:

1. Mr. Monteforte 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 Article 12-D and 12-E of the Banking Law, and 3 NYCRR Part 420;
- b. ensuring that he will not conduct or transact New York mortgage origination activities at any location which has not been approved by the Department;

- c. ensuring that he will not conduct or transact New York mortgage origination activities utilizing any website or domain name that has not been approved by his sponsoring entity and the Superintendent.
- d. ensuring that he will operate in a manner such as to command the confidence of the community and to warrant belief that his activities are conducted honestly, fairly and free of deceptive practices.
- e. ensuring that he will not engage in any transaction, practice or course of business that is not in good faith or does not constitute fair dealing as required by the character and fitness requirements of Section 599-d of the Banking Law and Sections 592 and 592-a of the Banking Law;
- f. ensuring that he will engage in mortgage loan originating activities in a manner such as to command the confidence of the community and to warrant belief that his or her activities are conducted honestly, fairly and free from deceptive practices; and
- g. ensuring that he will not engage in prohibited conduct outlined in Section 420.20 of the Superintendent's Regulations and Part 38 of the General Regulations of the Superintendent.

2. Mr. Monteforte agrees to pay a fine of \$5,000 payable in ten (10) installments as follows:

- \$500 upon execution of this Agreement;
- \$500 on or before the 15th day of each of the immediately following nine (9) months.

3. Mr. Monteforte further agrees that such payment will be made in immediately available funds in accordance with Department payment instructions.

4. Mr. Monteforte's mortgage origination activities will be subject to examinations semi-annually for a twenty-four month period following the execution of this Agreement.

5. Mr. Monteforte fully understands the requirements of this Agreement and that failure to meet the above conditions and timeframes may result in the Department suspending his MLO license and/or scheduling a hearing for revocation.

III.

MISCELLANEOUS TERMS AND CONDITIONS

1. Mr. Monteforte acknowledges that his failure to comply with any of the settlement terms, conditions, and timeframes of this Agreement may result in the Department taking action to revoke his MLO license under Article 12-E of the Banking Law.

2. Mr. Monteforte acknowledges 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 Mr. Monteforte 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.

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

Attention:

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

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

Attention:

Michael Monteforte
Mortgage Loan Originator
63 Underhill Avenue
Locust Valley, NY 11560

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.

Michael Monteforte
Mortgage Loan Originator

Dated: _____

New York State Department of Financial Services

By: _____

Rholda L. Ricketts
Deputy Superintendent

Dated: _____