New York State Department
of Financial Services

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In the Matter of

Joseph F. Schlageter
NMLS NO. 138261

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 Joseph F. Schlageter ("Mr. Schlageter") and the State of New York Department of Financial Services (the "Department" and collectively with Mr. Schlageter, the "Settling Parties") and evidencing an agreement between the Settling Parties to resolve, without a hearing, the violation by Mr. Schlageter of Section 420.20 of the Superintendent's Regulations, upon and subject to the terms and conditions hereof.

I.

RECITALS

1. Mr. Schlageter was granted a license on August 23, 2010 pursuant to Article 12-E of the Banking Law to engage in business as a mortgage loan originator ("MLO").

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

3. Section 420.21(g) of the Superintendent's Regulations provides, in part, 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 grant of any application or request, or any written agreement entered into with the Superintendent.

4. The Department determined that during a period including June 2014, Mr. Schlageter, while affiliated with Harlequin Capital Corp. ("Harlequin"), advertised and solicited regulated mortgage business using the domain name myrmagent.com/seniorhelpny. A sample of the advertisement is annexed as Exhibit A.

5. Additionally, the myrmagent.com/seniorhelpny website suggests that Mr. Schlageter was a registered mortgage broker as he displayed his contact information together with Harlequin's information without properly identifying he was a MLO.

6. Accordingly, Mr. Schlageter violated Section 420.20(a)(4) of the Superintendent's Regulations, which provides that no MLO shall publish, advertise or display his or her MLO license in any manner which implies that the MLO is licensed or registered with the New York State Department of Financial Services to engage in mortgage loan originating activities as a mortgage banker or mortgage broker pursuant to Article 12-D of the Banking Law.

II.

SETTLEMENT TERMS AND CONDITIONS

Mr. Schlageter is willing to resolve the violations cited herein by entering into this Agreement and freely and voluntarily waives his right to a hearing under Banking

Law Section 44 and the Superintendent's Regulation Part 420.21 on such violations. Therefore, in consideration of the promises and covenants set forth herein:

1. Mr. Schlageter agrees to take all necessary steps to ensure his compliance with all applicable federal and state laws, regulations, and supervisory requirements relating to his 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 Part 419 and Part 420 of the Superintendent's Regulations;
   b. ensuring that he will not conduct business as a mortgage broker or a mortgage banker without first being registered or licensed by the Department;
   c. ensuring that he will not publish, advertise or display his MLO license in any manner which implies that he is licensed or registered with the Department to engage in mortgage loan originating activities as a mortgage banker or mortgage broker; and
   d. ensuring that he will not misrepresent his license status, or persuade or induce a borrower to apply for a mortgage loan under the belief that he is duly licensed as a mortgage banker or registered as a mortgage broker.

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

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

III.

MISCELLANEOUS TERMS AND CONDITIONS

1. Mr. Schlageter acknowledges that his failure to comply with any of the settlement terms and conditions 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. Schlageter 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. Schlageter 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 her designee.

4. This Agreement shall be enforceable and remain in effect unless stayed or terminated in writing by the Superintendent or her 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, NY 10004

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

Attention:

Joseph F. Schlageter
Mortgage Loan Originator
74 Higgins St.
North Babylon, NY 11703

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: _____

Joseph F. Schlageter
Mortgage Loan Originator

Dated:_____

New York State Department of Financial Services

By: _____

Rholda L. Ricketts
Deputy Superintendent

Dated:_____