

NEW YORK STATE DEPARTMENT
OF FINANCIAL SERVICES

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In the Matter of

**SISTAR MORTGAGE COMPANY IN LIEU OF TRUE
CORPORATE NAME SI MORTGAGE COMPANY, INC.**
A Registered Mortgage Broker
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SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made and entered into by and between Sistar Mortgage Company in lieu of true corporate name SI Mortgage Company, Inc. ("Sistar Mortgage Company", "Registrant") and the New York State Department of Financial Services (the "Department" and collectively with Sistar Mortgage Company, the "Settling Parties"), evidencing an agreement between the Settling Parties to resolve, without a hearing, the violation of Section 102.1(c) (1) of Supervisory Procedure MB 102 and Section 1301(a) of the New York Business Corporation Law ("Business Corporation Law").

I.

RECITALS

1. Sistar Mortgage Company, incorporated under the laws of Michigan and headquartered at 51650 Oro Road, Shelby Township, MI 48315, was granted a registration by the Department on March 4, 2009 to engage in the business of a mortgage broker pursuant to Article XII-D of the New York Banking Law ("Banking Law").

2. Sistar Mortgage Company received authority to engage in business under the laws of the State of New York as a foreign corporation on April 5, 2007.

3. 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 thereunder.

4. 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.

5. As part of the Nationwide Mortgage License System & Registry (NMLS) renewal process, the Department reviewed the New York Department of State's ("Department of State") records and noted that Sistar Mortgage Company's corporate status was terminated by proclamation on July 27, 2011.

6. On August 12, 2013, the Department notified the Registrant that as a result of the termination, it no longer had authority to do business in this State, and therefore the Department no longer considers it a registered mortgage broker.

7. Sistar Mortgage Company's Volume of Operations Report indicates that Sistar Mortgage Company conducted mortgage activities in connection with properties located in New York for year 2012. Sistar Mortgage Company's application log also indicates that it conducted mortgage activities in connection with properties located in New York in 2012 and 2013, the period during which its authority to conduct business in New York was terminated.

8. Sistar Mortgage Company's failure to notify the Department of the termination resulted in the company maintaining an active registration and remaining on the Roll of Registered Mortgage brokers.

9. As a result, the Registrant violated Section 1301(a) of the Business Corporation Law, which states that a foreign corporation shall not do business in this state unless it is authorized to do so.

10. Additionally, the Registrant failed to notify the Department of its termination of corporate authority in New York in violation of Supervisory Procedure MB 102.1(c)(1), which requires registrants to promptly notify the Superintendent of any changes which occur in the information furnished in the application subsequent to the date upon which the information was furnished.

11. The Registrant's status as an authorized foreign corporation was reinstated with the Department of State, effective September 6, 2013.

II.

SETTLEMENT TERMS AND CONDITIONS

Sistar Mortgage Company 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. 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 \$5,000. The Registrant further agrees that such payment will be made in immediately available funds in accordance with the Department's payment instructions.

III.

MISCELLANEOUS TERMS AND CONDITIONS

1. Sistar Mortgage Company acknowledges that its failure to comply with any of the settlement terms and conditions of this Agreement may result in the Department taking action to revoke its registration to engage in the business of a mortgage broker.
2. Sistar Mortgage Company 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 Sistar Mortgage Company, 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 and 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 Sistar Mortgage Company regarding this Agreement should be sent as follows:

Attention:

Rajeev Gandhi
President & Qualifier
Sistar Mortgage Company
In lieu of true corporate name
SI Mortgage Company, Inc.
51650 Oro Road
Shelby Township, MI 48315

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.

**Sistar Mortgage Company in lieu of true corporate name
SI Mortgage Company, Inc.**

By: _____

Rajeev Gandhi
President & Qualifier

Dated: _____

New York State Department of Financial Services

By: _____

Rholda L. Ricketts
Deputy Superintendent

Dated: _____