

New York State Department  
of Financial Services

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In the Matter of

**STARR MORTGAGE COMPANY, INC.**  
**A006247**

**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 Starr Mortgage Company, Inc. ("Starr" or the "Registrant") and the New York State Department of Financial Services (the "Department" and collectively, with the Registrant, the "Settling Parties") evidencing an agreement between the Settling Parties to resolve, without a hearing, the violations of Article 12-D of the New York Banking Law ("Banking Law"), and Part 38 of the General Regulations of the Superintendent ("General Regulations"), upon and subject to the terms and conditions hereof.

**I.**

**RECITALS**

1. The Registrant, headquartered at 15 North Mill Street, Nyack, NY 10960, was granted a registration by the Department on March 8, 2005 to engage in the business of a mortgage broker pursuant to Article 12-D of the Banking Law.

2. Sections 44 and 598 of the Banking Law provide, in part, that 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.

3. Section 38.8 of the General Regulations 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.

### **Unauthorized Domain Names**

4. Pursuant to the Department's June 1, 2000 industry letter, the domain name of any website used by a licensee or a registrant to conduct mortgage banking or brokering activity qualifies as a business address.

5. From July 2013 to August 2014, the Registrant used the domain names "starrfinancialgroup.com" and "hudsonvalleymortgage.net" and the website "hudsonvalleymortgage.net" to promote New York regulated residential mortgages. Consumers visiting the domain name "starrfinancialgroup.com" were redirected to the domain name and website "hudsonvalleymortgage.net." A sample of the website hudsonvalleymortgage.net is annexed as Exhibit A. A sample of the domain redirection from visiting starrfinancialgroup.com is annexed as Exhibit B.

6. The Registrant failed to obtain authorization to utilize the aforementioned domain names to conduct New York regulated mortgage business.

7. Accordingly, the Registrant violated Section 591-a(2) of the Banking Law, which requires registrants to apply for and receive permission prior to using a specific business address.

**Restricted Words Usage**

8. Starr used the words or a derivative of the restricted words “mortgage” and “finance” in the domain names “hudsonvalleymortgage.net” and “starrfinancialgroup.com,” respectively, without authorization from the Superintendent of Financial Services.

9. Accordingly, Starr violated Section 301(a)(5)(B) of the New York Business Corporation Law, which prohibits the use of the word or a derivative of the words “mortgage” and “finance” in the name of a domestic or foreign corporation without receiving approval from the Superintendent.

**Unauthorized Assumed Name**

10. The website hudsonvalleymortgage.net used the assumed name “Starr Financial Group & Mortgage Company.”

11. According to our records, the Department did not authorize Starr to use such assumed name to conduct New York regulated mortgage business.

12. Accordingly, Starr violated Section 595-a(2)(a) of the Banking Law, which provides that all advertisements by a mortgage broker shall contain the name of the entity which conforms to a name on record with the Department.

**II**

**SETTLEMENT TERMS AND CONDITIONS**

Starr is willing to resolve the violations 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:

1. Starr 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 Article 12-D of the Banking Law, and Part 38 of the General Regulations;
- b. not conducting or transacting business in this state under any name, assumed name or designation using any website, domain, or other name that has not been approved by the Superintendent; and
- c. ensuring that its domain names or trade names do not use the words or a derivative of the restricted words "mortgage" or "finance" without authorization from the Superintendent.

2. Starr agrees to develop appropriate written advertisement policies and procedures designed to ensure compliance with all applicable federal and state laws, regulations, supervisory requirements and guidance letters. The advertisement policies and procedures shall, at a minimum: (i) designate an individual responsible for monitoring compliance with all applicable federal and state laws, regulations, supervisory requirements and guidance letters; and (ii) establish a training program to ensure that Starr and its employees involved in loan origination understand all applicable federal and state laws, regulations, supervisory requirements and guidance letters.

3. Within ninety (90) days from the effective date of this Agreement, the

Registrant agrees to submit a draft of its advertisement policies and procedures to the Department for review.

4. Within thirty (30) days of receipt of non-objection or any comments from the Department, and after incorporation and adoption of all comments, the Registrant agrees to submit a copy of its final advertisement policies and procedures to the Department together with a letter from an authorized officer of the Registrant indicating his/her approval of such advertisement policies and procedures.

5. Starr agrees to pay a fine of \$ 5,000 payable in ten (10) equal monthly installments as follows:

- \$500 upon execution of this Agreement, and
- \$500 each on or before the 15<sup>th</sup> day of each consecutive month for the following nine (9) months.

6. Starr 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. Starr 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 Starr's registration to engage in the business of a mortgage broker under Article 12-D of the Banking Law.

2. Starr 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 Starr, 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.

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 Starr regarding this Agreement should be sent as follows.

Attention:

Janice Starr  
Owner  
Starr Mortgage Company, Inc.  
15 North Mill Street  
Nyack, NY 10960

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.

Starr Mortgage Company, Inc.

By: \_\_\_\_\_

Janice Starr  
Owner

Dated: \_\_\_\_\_

New York State Department of Financial Services

By: \_\_\_\_\_

Rholda L. Ricketts  
Deputy Superintendent

Dated: \_\_\_\_\_