

**New York State Department
of Financial Services**

_____ X
In the Matter of

**Mortgage Research Center, LLC D/B/A
VAMortgageCenter
B500870**

SETTLEMENT AGREEMENT

A Licensed Mortgage Banker Pursuant To
Article XII-D of the New York Banking Law
_____ X

This Settlement Agreement ("Agreement") is made and entered into by and between Mortgage Research Center, LLC D/B/A VAMortgageCenter ("Mortgage Research" or the "Entity") and the New York State Department of Financial Services (the "Department") (collectively, the "Settling Parties") evidencing an agreement between the Settling Parties to resolve, without a hearing, violations of Part 38 of the General Regulations of the Superintendent ("General Regulations"), Article 12-D of the New York Banking Law ("Banking Law"), and Sections 202 and 301 of the New York Business Corporation Law, and Section 130(1)(b) of the General Business Law ("GBL"), subject to the terms and conditions hereof.

I.

RECITALS

1. The Entity, headquartered at 1400 Veterans United Drive, Columbia, MO 65203, was granted a license by the Department on April 13, 2007 to engage in business as a mortgage banker pursuant to Article 12-D of the Banking Law.

2. Sections 44 and 595 of the Banking Law provide, in part, that the Superintendent may, in a proceeding after notice and a hearing, require a licensed mortgage banker 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 banker 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 banker.

Unauthorized Domain Name

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. The Entity placed advertisements promoting New York regulated mortgages on the website veteranloancenter.com. A screenshot of an advertisement is annexed as Exhibit A.

6. The Entity failed to obtain authorization from the Department to utilize the domain name veteranloancenter.com to conduct New York regulated residential mortgage business.

7. Accordingly, the Entity violated Article 12-D Section 591(3) of the Banking law, which requires licensees to apply for and receive permission prior to using a business address different from that at which it was licensed.

Unauthorized Usage of Assumed Names

8. On April 13, 2007, the Department issued a license to the Entity under the name Mortgage Research Center, LLC D/B/A VAMortgageCenter.

9. The advertisement in veteranloancenter.com utilized the assumed name "Veterans Loan Center.com" to conduct New York residential mortgage business.

10. The Department did not authorize the Entity to use the assumed name "Veterans Loan Center.com" to conduct New York residential mortgage business.

11. Accordingly, the Entity violated Section 595-a(2)(a) of the Banking Law, which provides in part that all advertisements by a mortgage banker shall contain the name which shall conform to a name on record with the Department.

12. Additionally, the Entity violated GBL Section 130(1)(ii)(b), which provides that no one shall carry on or conduct or transact business in this state under any name or designation other than his or its real name unless such person files a Certificate of Assumed Name with the New York Secretary of State.

13. Furthermore, the Entity violated Section 202(b) of the New York Business Corporation Law, which provides that no corporation shall do business in New York State under any name, other than the names that appear in its certificate of incorporation, in compliance with the filing provisions of Section 130 of the General Business Law governing the conduct of business under an assumed name.

Unauthorized Usage of Restricted Word

14. The Entity in its website veteranloancenter.com utilized the restricted word “loan” in the domain name “veteranloancenter.com,” and in the assumed name “Veterans Loan Center.com” without receiving approval from the Superintendent.

15. Additionally, the Entity’s video advertisement in youtube.com utilized the restricted word “loan” in the assumed name “Veterans United Home Loans” without receiving approval from the Superintendent.

16. Accordingly, the Entity violated Section 301(a)(5)(b) of the Business Corporation Law, which in general prohibits the use of the word or a derivative of the word “loan” in the name of a domestic or foreign corporation without receiving approval from the Superintendent.

Misleading Telephone Number

17. The Entity’s video advertisements in youtube.com stated a telephone number “1-800-VA-LOANS”, to solicit New York regulated mortgage loans.

18. The telephone number “1-800-VA-LOANS” could mislead consumers into believing that the Entity’s services and products are sponsored, approved or endorsed by the U.S. Department of Veterans Affairs.

19. Accordingly, the Entity violated Section 38.2(e) of the General Regulations of the Superintendent, which provides that no mortgage banker shall fraudulently or deceitfully advertise a mortgage loan, or misrepresent the terms, conditions or charges incident to a mortgage loan in any advertisement therefor.

II.

SETTLEMENT TERMS AND CONDITIONS

Mortgage Research is willing to resolve the violations 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:

1. Mortgage Research 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 of the Banking Board;
- b. not conducting or transacting business in this state under any assumed name or designation using any website, domain, or other name that has not been approved by the Superintendent;
- c. ensuring that its advertisements and telephone number do not mislead consumers to believe that its services and products are sponsored, approved or endorsed by U.S. Department of Veterans Affairs or any government agency.
- d. ensuring that it will provide appropriate training for its employees regarding advertisements.

2. Mortgage Research agrees to develop appropriate written compliance policies and procedures designed to ensure compliance with all applicable federal and state laws, regulations, supervisory requirements, and guidelines. The 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 guidelines; (ii) include a listing of all applicable laws and regulations; (iii) establish a mechanism for ensuring that all applicable laws and regulations are met; and (iv) establish a training program to ensure that Mortgage Research and its employees involved in establishing new branch locations and utilizing new assumed names understand all applicable federal and state laws and regulations.

3. Within ninety (90) days from the effective date of this Agreement, Mortgage Research agrees to submit a draft of its compliance policies and procedures to the Department.

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

5. The Entity agrees to pay a fine of \$ 15,000.

6. The Entity 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. Mortgage Research 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 the Entity's license to engage in the business of a mortgage banker under Article 12-D of the Banking Law.

2. Mortgage Research 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 the Entity, 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 Mortgage Research regarding this Agreement should be sent as follows.

Attention:

Nathaneal K. Long
Chief Executive Officer
Mortgage Research Center, LLC D/B/A
VAMortgageCenter
1400 Veterans United Drive
Columbia, MO 65203

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.

Mortgage Research Center, LLC D/B/A
VAMortgageCenter

By: _____

Nathaneal K. Long
Chief Executive Officer

Dated: _____

New York State Department of Financial Services

By: _____

Rholda L. Ricketts
Deputy Superintendent

Dated: _____