

NEW YORK STATE DEPARTMENT
OF FINANCIAL SERVICES

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In the Matter of

Lifestyle Funding Solutions LLC
A007324

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 Lifestyle Funding Solutions LLC (“Lifestyle”) and the New York State Department of Financial Services (the “Department,” and collectively, with Lifestyle, the “Parties”) evidencing an agreement between the Parties to resolve, without a hearing, violations of Article 12-D of the New York Banking Law (“Banking Law”) and Part 420 of the Superintendent’s Regulations.

I.

RECITALS

1. Lifestyle, headquartered at 95-20 63rd Road, Suite N, Room 2, Rego Park, NY 11374, was granted a registration by the Department on January 12, 2012, to engage in business as 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 New York State a penalty for a violation of the Banking Law and/or 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 brokering or making mortgage loans in this state.

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 registrant to conduct mortgage banking or mortgage brokering activities qualifies as a separate business address that must be registered with the Department.

5. Lifestyle used the domain names "lifestylefunding" and "queenshomemortgage" to solicit residential mortgages prior to receiving authorization from the Department to do so. A sample of the website is annexed as Exhibit A and Exhibit B respectively.

6. Accordingly, Lifestyle violated Article 12-D Section 591-a(2) of the Banking Law, which requires registrants to apply for and receive permission prior to using a specific business address.

Unlicensed Mortgage Loan Originator

7. During a June 30 2013 examination of Lifestyles, the Department found that Lifestyle allowed a mortgage loan originator ("MLO"), to originate a mortgage loan on February 17, 2011, although the MLO's license was inactive.

8. By permitting a MLO with an inactive New York license to originate a New York mortgage loan, Lifestyle violated Superintendent's Regulations Section 420.18(a)(3)(iv), which requires that an originating entity "ensures that any MLO employed by, or who is an independent contractor of, the originating entity has been duly licensed by the Superintendent to engage in mortgage loan originating activities."

II.

SETTLEMENT TERMS AND CONDITIONS

Lifestyle is willing to resolve the violations 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:

1. Lifestyle 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 3 NYCRR Sections 38 and 420;
- b. not conducting or transacting regulated mortgage business in this state under any name, assumed name or designation using any website, domain, or other name that has not registered with the Superintendent

2. Lifestyle also 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 Lifestyle 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, Lifestyle

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, Lifestyle agrees to submit a copy of its final advertisement policies and procedures to the Department together with a letter from an authorized officer of Lifestyle indicating his/her approval of such advertisement policies and procedures.

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

- \$1,000 upon execution of this Agreement; and
- \$1,000 on or before the 15th day of each of the immediately following nine (9) months.

6. Lifestyle 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. Lifestyle acknowledges that its failure to comply with any of the terms and conditions of this Agreement may result in the Department taking action to revoke Lifestyle's registration to engage in the business of a mortgage broker under Article 12-D of the Banking Law.

2. Lifestyle 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 Lifestyle, 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 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 for Mortgage Banking.

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

Attention:

Gregory Khamimov
President
Lifestyle Funding Solutions LLC
95-20 63rd Road, Suite N, Room 2
Rego Park, NY 11374

8. This Agreement is not confidential; therefore it is available to the public.

WHEREFORE, the Parties hereto have caused this Agreement to be executed.

Lifestyle Funding Solutions LLC

By: _____
Gregory Khamimov
President

Dated: _____

New York State Department of Financial Services

By: _____
Rhonda L. Ricketts
Deputy Superintendent

Dated: _____