

STATE OF NEW JERSEY



DEPARTMENT OF BANKING AND INSURANCE DIVISION OF BANKING

CONSENT ORDER NO. E18-019059

IN THE MATTER OF:)
MLB RESIDENTIAL LENDING, LLC) CONSENT ORDER
NMLS #: 1101220)

SAMUEL P. LAMPARELLO, CEO)
MLB RESIDENTIAL LENDING, LLC)
51 COMMERCE STREET, SUITE 101)
SPRINGFIELD, NJ 07081)

This matter having been opened to the Office of Consumer Finance within the Division of Banking of the New Jersey Department of Banking and Insurance ("Department") upon information pursuant to an investigation and examination that MLB Residential Lending, LLC ("the Licensee"), at all times relevant to this Consent Order, a licensed New Jersey Residential Mortgage Lender pursuant to the New Jersey Residential Mortgage Lending Act N.J.S.A. 17:11C-51 et seq., ("the Act") may have violated certain provisions of the Act and its implementing rules; and

WHEREAS IT APPEARS that the Licensee may have violated the following:

1. N.J.S.A. 17:11C-54 c. (1) (a) Licensing requirements

Pursuant to the Department's investigative findings relative to the Licensee's New Jersey residential mortgage originations in 2018 determined several instances of individuals working from the same branch office who acted as mortgage loan originators ("MLO") pursuant to

N.J.S.A. 17:11C-53 Definitions - "Mortgage loan originator" without a license pursuant to **N.J.S.A. 17:11C-54 c. (1) (a)**. The individuals identified were Antonio a.k.a. Anthony Ambrosio, Edward Glenn, and Kevin Miles.

2. N.J.S.A. 17:11C-75 Prohibited practices, violations c., d., & e.

Pursuant to the last examination of the Licensee, it was determined that one of its branch offices, which has since been closed by the company, had, contrary to company policy and explicit restrictions in its employees' employment contracts, allowed unlicensed employees at the branch to conduct activities subject to licensure. This activity was concealed from the company and its management. Such activities included: taking loan applications, offering and negotiating mortgage loan terms, inaccurately identifying MLO's on loan documents and application logs. The branch employees also utilized business cards with inaccurate National Mortgage Loan Licensing System ("NMLS") identification numbers. The employees involved are no longer with the company.

3. N.J.S.A. 17:11C-85 (b) Reporting requirements b.

The Licensee's Annual Reports to the Department had inaccuracies in that they failed to identify its actual loan volume in the 2017 Annual Report by overstating its loan volume by 1,485 loans (by inputting 1650 loans in a column rather than 165) and omitted one loan plus \$94,002,500 in dollar amounts in its 2016 Annual Report (by inputting \$10,444,765 instead of \$104,447,265-by inadvertently failing to input the "2" digit in the report).

4. N.J.A.C. 3:2-1.4 Violations of the Act (a) & (b)

One of the Licensee's employees, Daryle Pellegrino, solicited mortgage loan

business for it shortly after his employment with the Company from a website without the required verbiage of "licensed by the N.J. Department of Banking and Insurance". This was noted as a repeat violation from a previous examination.

AND WHEREAS, if the Commissioner issued an administrative Order to Show Cause to the Licensee addressing the above-referenced apparent violations, the Licensee would be entitled to request a hearing of the matter as a contested case in accordance with the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq.; and

WHEREAS the Licensee understands these rights and has voluntarily waived the right to a hearing on the matters addressed in this Consent Order; and

WHEREAS, the Licensee has agreed for purposes of settlement to: adopt policies and procedures to ensure that its branch offices and employees will not engage in allowing unlicensed individuals to act as or assist MLO's pursuant to N.J.S.A. 17:11C-54 c. (1) (a) and N.J.S.A. 17:11C-75 c. Prohibited practices, violations, and ensure that its loan documentation, electronic records, and advertisements are accurate and compliant; and

WHEREAS, without making any admission of liability with respect to any of the apparent violations cited in this Consent Order, the Licensee has agreed for purposes of settlement to pay civil administrative penalties in the amount of **\$34,000**; and

WHEREAS the parties to this Consent Order have determined that this matter is suitable for resolution upon the consent of the parties and that the Licensee and the Department desire to resolve this matter without a hearing or litigation, and for further good cause appearing;

NOW, THEREFORE, IT IS on this 3 day of JUNE 2019,

ORDERED AND AGREED as follows:

1. The Licensee will take the appropriate measures to prevent any individuals including those working from its branch office(s) from engaging in unlicensed activity or assisting MLO's pursuant to N.J.S.A. 17:11C-54 c. (1) (a). and N.J.S.A. 17:11C-75 c. Prohibited practices, violations. Ensure that its loan documentation, electronic records, and advertisements are accurate and compliant; and

2. Licensee shall pay civil administrative penalties in the amount of \$34,000.

Payment shall be made as follows. The amount of said penalties is due in full upon entry into this Consent Order by means of a certified check, bank check or money order made payable to the "Treasurer, State of New Jersey" to be sent to:

**Department of Banking and Insurance
Collections Bureau
P.O. Box 325
Trenton, New Jersey 08625
Attention: Rose McGill**

This Consent Order shall be duly signed by an authorized representative of the Licensee and sent along with a copy of the proof of payment as listed above to:

**Department of Banking and Insurance
Office of Consumer Finance
P.O. Box 040
Trenton, New Jersey 08625
Attention: Troy Dayton**

3. Licensee consents to the entry of this Consent Order as a final administrative order, and Licensee understands that this final administrative order may be docketed with the Clerk of the Superior Court as provided in the Penalty Enforcement Law, N.J.S.A. 2A:58-10 et seq.

Consented to with respect to
both form and content:

MLB RESIDENTIAL LENDING, LLC

By: 

Print Name: Samuel P. Lamporello

Title: CEO

Date: 6-7-19

It is so ordered:

MARLENE CARIDE, COMMISSIONER
NEW JERSEY DEPARTMENT OF
BANKING AND INSURANCE

By:



Thomas M. Hunt, Assistant Director
Office of Consumer Finance