

STATE OF NEW JERSEY



DEPARTMENT OF BANKING AND INSURANCE DIVISION OF BANKING

CONSENT ORDER NO. E16-016795

IN THE MATTER OF:
SD CAPITAL FUNDING CORP
NMLS. NO. 198414

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CONSENT ORDER

SD CAPITAL FUNDING CORP
ATTN: JASON DOSHI
1740 OAK TREE RD.
EDISON, NJ 08820

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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 that SD Capital Funding Corp ("Licensee"), a licensed 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

WHEREAS IT APPEARS that Licensee may have violated the following:

1. N.J.S.A. 17:11C-65 15. a. Maintenance of branch offices by business licensee: "*A residential mortgage lender...that is a business license may maintain a branch office or offices. The business licensee shall obtain a license for each branch office in this State... from which the licensee has direct contact with New Jersey consumers regarding origination or brokering*":

A recent examination and review of the application log determined that the Licensee's branch office located at 342 Parsippany Rd., Parsippany, NJ was not properly licensed prior to originating and brokering New Jersey residential mortgage loan applications.

2. N.J.A.C. 3:15-2.4(f) Branch offices: *“Branch office arrangements shall be restricted as follows:
2. A branch office shall not pay its own operating expenses... 4. A branch office shall not maintain contractual relationships with vendors for items such as leases, telephones, utilities, and advertising in the name of the branch office....”*
3. N.J.A.C. 3:15-6.12 Reports to the Department *“Each business under the Act shall file a report with the Department annually on or before May 1 of each year...”*
4. N.J.S.A. 17:11C-85a. (2) Reporting Requirements *“Every residential mortgage lender and broker shall additionally submit to the Nationwide Mortgage Lending System and Registry a mortgage call report of condition...”*
5. N.J.S.A. 17:11C-67a. (2) Regulations relative to license *“The license of the business shall be posted conspicuously in the place or places of business of that license...and available for public inspection at the licensee’s place or places of business...”*
6. N.J.A.C. 3:15-1.3 Office requirement (a) 1. *“The commissioner shall consider the following factors in determining whether a location in New Jersey at which there is direct contact with New Jersey consumers...is suitable: iv. Any signage proposed for the location shall clearly identify the licensee...”*

These are repeat violations from the previous examination.

AND WHEREAS, in the event that the Commissioner issued an administrative Order to Show Cause to Licensee addressing the above-referenced apparent violations, 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 Licensee understands these rights and has voluntarily waived the right to a hearing on the matters addressed in this Consent Order; and

WHEREAS, without making any admission of liability with respect to any of the apparent violations cited in this Consent Order, Licensee has agreed for purposes of settlement to undertake the following actions:

1. Licensee will ensure that all branch offices in this State or outside this State will be properly licensed prior to originating or brokering New Jersey residential mortgage loan applications; and
2. Licensee shall ensure that a branch office does not pay its own operating expenses; and

3. Licensee shall ensure annual reports are filed with the Department annually on or before May 1 of each year; and
4. Licensee shall ensure that the mortgage call report is submitted to the National Mortgage Licensing System and Registry within 45 days of the end of every calendar quarter; and
5. Licensee shall ensure that the license is conspicuously displayed at its principal office ; and
6. Licensee shall ensure that any signage proposed for the location clearly identifies the licensee; and
7. Pay civil administrative penalties; and

WHEREAS, without making any admission of liability with respect to any of the alleged violations cited in this Consent Order, Licensee has agreed for purposes of settlement to pay civil administrative penalties in the amount of \$10,000.00; and

WHEREAS the provisions of this Consent Order are imposed pursuant to the police powers of the State of New Jersey for the enforcement of the law and regulations and the protection of the public health, safety and welfare, and are not intended to constitute debts which may be limited or discharged in bankruptcy proceedings; 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 Licensee and the Commissioner desire to resolve this matter without a hearing or litigation, and for further good cause appearing;

NOW, THEREFORE, IT IS on this 12 day of OCTOBER 2016, ORDERED AND AGREED as follows:

1. Licensee will ensure that all branch offices in this State or outside this State will be properly licensed prior to originating or brokering New Jersey residential mortgage loan applications.
2. Licensee shall ensure that a branch office does not pay its own operating expenses.
3. Licensee shall ensure annual reports are filed with the Department annually on or before May 1 of each year.
4. Licensee shall ensure that the mortgage call report is submitted to the National Mortgage Licensing System and Registry within 45 days of the end of every calendar quarter.
5. Licensee shall ensure that the license is conspicuously displayed at its principal office.
6. Licensee shall ensure that any signage proposed for the location clearly identifies the licensee.

7. Licensee shall pay civil administrative penalties in the amount of \$10,000.00. Payment shall be made as follows. The amount of said penalties is due in full immediately 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" and forwarded with this Consent Order duly signed by an authorized representative of Licensee to:

Department of Banking and Insurance
Division of Anti-Fraud Compliance
P.O. Box 325
Trenton, New Jersey 08625
Attn: Rose McGill

8. 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:

SD Capital Funding

By: J. D.
Print Name: JASEN DOSHI
Title: PRESIDENT
Date: 10/12/16

It is so ordered:

RICHARD J. BADOLATO, COMMISSIONER
NEW JERSEY DEPARTMENT OF
BANKING AND INSURANCE

By: Thomas M. Hunt
Thomas M. Hunt, Assistant Division Director
Office of Consumer Finance