



WHEREAS, M.G.L. chapter 255E, section 2, requires entities to be licensed by the Commissioner if they are engaged in the business of a mortgage lender or mortgage broker in Massachusetts as defined by M.G.L. chapter 255E, section 1;

WHEREAS, 209 Code of Massachusetts Regulations (C.M.R.) 42.04 and 42.06 concerns licensing standards for mortgage lenders and mortgage brokers, respectively, and states that the Commissioner may deny such an application if the applicant has:

1. *Violated any provision of M.G.L. c. 255E or 209 C.M.R. 42.00;*
2. *Violated or engaged in a pattern of violations of any state or federal law applicable to the conduct of the business of a mortgage lender, including but not limited to, M.G.L. chs. 93A, 140, 140D, 183, or 184 and any rule, regulation or administrative order or directive promulgated thereunder;*
3. *Conducted, or will conduct, its business in an unsafe and unsound manner; or*
4. *Engaged in conduct which has resulted in the suspension or revocation of its license to engage in the business of a mortgage lender by the licensing authority of any other state.*

WHEREAS, M.G.L. chapter 93A, section 2(a) states, “Unfair methods of competition and unfair or deceptive acts or practices in the conduct of any trade or commerce are hereby declared unlawful.”;

WHEREAS, regulation 940 C.M.R. 8.06(1) states, “It is an unfair or deceptive act or practice for a mortgage broker or lender to make any representation or statement of fact in an advertisement if the representation or statement is false or misleading or has the tendency or capacity to be misleading, or if the mortgage broker or lender does not have sufficient information upon which a reasonable belief in the truth of the representation or statement could be based.”;

WHEREAS, Broker Solutions is licensed by the Commissioner as a mortgage lender and mortgage broker under M.G.L. chapter 255E, section 2. According to records maintained on file with the Division, and as recorded on the Nationwide Multi-State Licensing System and Registry

(NMLS), the Commissioner initially issued mortgage lender license number ML6606 to Broker Solutions to engage in the business of a mortgage lender on or about June 30, 2005. The Division's records indicate that Broker Solutions was subsequently issued mortgage company license number MC6606 which became effective on or about October 29, 2008, covering both mortgage broker and mortgage lender license types;

WHEREAS, according to records maintained on file with the Division, and as recorded on the NMLS, on or about April 9, 2021 and on or about May 12, 2021, a separate entity (the "separate entity") submitted an application to engage in the business of a mortgage lender and mortgage broker (the "applications"), respectively;

WHEREAS, during a review of the separate entity's applications, the Division became aware that, on or about October 25, 2019, the separate entity entered into a "Transition Services Agreement" with Broker Solutions which contained the following provisions:

*This Transition Services Agreement (this "Agreement") is dated as of October 25, 2019 (the "Effective Date"), by and between Broker Solutions, Inc. dba the separate entity ("Provider"), and the separate entity, LLC (the "Company") (together, the "Parties")*

*WHEREAS, Provider is a retail mortgage business (the "Business");*

*WHEREAS, Company has been formed with the intent of establishing and operating a wholesale mortgage business ("Wholesale Business");*

*WHEREAS, the Company is in the process of procuring the regulatory licenses and permits required to operate the Wholesale Business;*

*WHEREAS, during the time period necessary for Company to obtain such regulatory licenses and permits and otherwise establish the infrastructure necessary to operate a Wholesale Business (the "Transition Period"), Company desires Provider to establish and operate the Wholesale Business that, upon expiration of the Transition Period and mutual agreement between the Parties, will be transferred over to Company pursuant to the terms of a Purchase Agreement to be negotiated by the Parties;*

WHEREAS, during a review of the separate entity's applications, the Division became aware that the separate entity's brand was displayed with the NMLS number associated with Broker Solutions on certain webpages and marketing materials which the Division believes was misleading or had the ability or capacity to mislead consumers into thinking that Broker Solutions and the separate entity were not separate and distinct companies;

WHEREAS, as a consequence of the foregoing, the Division believes that the Company facilitated the unlicensed mortgage lender and mortgage broker activity in Massachusetts; and

WHEREAS, the parties now seek to resolve by mutual agreement, the matters identified in the Order.

#### ORDER

NOW COME the parties in the above-captioned matter, the Division and Broker Solutions, agree as follows:

1. Broker Solutions shall submit a payment of twenty-five thousand dollars (\$25,000.00) in satisfaction of an administrative penalty collected to resolve this matter. Such administrative penalty is imposed pursuant to M.G.L. chapter 255E, section 11. The payment shall be payable to the "Commonwealth of Massachusetts," to the Office of the Commissioner of Banks, Attn: Enforcement and Investigation Unit, 1000 Washington Street, 10th Floor, Boston, Massachusetts 02118-6400. Nothing in this Consent Order shall be construed as permitting the Company to violate any law, rule, regulation, or regulatory bulletin to which the Company is subject;
2. Immediately upon the effective date of this Consent Order, Broker Solutions will refrain from facilitating unlicensed activity to include but not limited to unlicensed

- mortgage lending or mortgage brokering activity, as defined under M.G.L. chapter 255E, section 1;
3. Failure to comply with the terms of this Consent Order shall constitute grounds for formal regulatory action pursuant to applicable provisions of the General Laws of the Commonwealth of Massachusetts;
  4. This Consent Order shall become effective immediately upon the date of its issuance;
  5. The provisions of this Consent Order shall be binding upon the Company and its respective subsidiaries, officers and directors, successors and assigns, and those persons in active participation with them, directly or indirectly, acting individually or through any corporate or other entity;
  6. In consideration of this Consent Order, the Division agrees not to pursue any other remedial measures, sanctions, or penalties relative to this matter unless the Division is made aware of material information that is not addressed in this Consent Order, or if the Company fails to comply with the terms of this Consent Order;
  7. The provisions of this Consent Order shall not limit, estop, or otherwise prevent any other state agency or department from taking any other action under separate authority affecting the Company, or any of their officers and directors, or their successors or assigns;
  8. The provisions of this Consent Order shall remain effective and enforceable except to the extent that, and until such time as, the Commissioner or a court of competent jurisdiction modifies, terminates, suspends, or sets aside any provision of this Consent Order;

9. In accordance with the terms of the Consent Agreement entered into by the Company and the Commissioner, the Company has waived all rights of appeal that they may have relative to this Consent Order or any of its provisions;
10. This Consent Order and the Consent Agreement are the complete documents representing the resolution of this matter. There are no other agreements between the Division and Broker Solutions.

BY ORDER AND DIRECTION OF THE COMMISSIONER OF BANKS:

Dated at Boston, Massachusetts, this 26th day of January, 2023.

By:

Mary L. Gallagher  
Commissioner of Banks