

COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2017-AH-00035



DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

v.

GMH MORTGAGE SERVICES, LLC

RESPONDENT

EMERGENCY ORDER OF SUSPENSION

* * * * *

Comes now the Commonwealth of Kentucky, by and through the Commissioner of the Department of Financial Institutions (“DFI”), and hereby enters this Emergency Order, pursuant to KRS Chapter 286.8, immediately suspending the mortgage loan company license of the Respondent, GHM Mortgage Services, LLC (“Respondent”):

PARTIES

1. DFI is responsible for regulating and licensing mortgage loan companies in accordance with the provisions of KRS Chapter 286.8.
2. Respondent is licensed as a mortgage loan company in the Commonwealth of Kentucky with an office at 625 West Ridge Pike, Building C, Suite 100, Conshohocken, Pennsylvania 19428. Respondent’s Kentucky license number is MC102781, and its NMLS number is 134407.

COUNT ONE- SURETY BOND CANCELLATION

3. On or about September 15, 2012, Hartford Fire Insurance Company (“Hartford”) executed a Surety bond in the amount of two hundred and fifty thousand dollars (\$250,000.00) on

behalf of Respondent and in favor of the DFI, pursuant to Respondent's licensing obligations under KRS Chapter 286.8.

4. On December 27, 2016, DFI received a written Cancellation Notice from Hartford dated December 22, 2016, advising that the Surety bond had been cancelled and would expire effective January 31, 2017.

5. On December 28, 2016, DFI sent a letter via first class mail to Respondent's last known address advising that Respondent must deliver to the DFI a notice of either reinstatement of the bond or of issuance of a new bond by January 31, 2017, and advising that failure to do so will result in the suspension or revocation of Respondent's license.

6. Respondent failed to deliver to DFI a notice of either reinstatement of the bond or of issuance of a new bond.

7. Respondent's Surety bond is no longer in effect.

STATUTORY AUTHORITY

8. The commissioner may enter an emergency order suspending the license of any mortgage loan company without notice or hearing if it appears on grounds satisfactory to the commissioner that the company has engaged in or is engaging in unsafe, unsound, and illegal practices that pose an imminent threat to the public interest. KRS 286.8-048(1).

9. One or more of the following circumstances shall be considered sufficient grounds for an emergency order under KRS 286.8-048(2) if it appears on grounds satisfactory to the commissioner that:

a. the mortgage loan broker or mortgage loan originator does not meet or has failed to comply with more than one (1) of the requirements of this subtitle and the violations appear to be willful;

b. the mortgage loan broker is in such financial condition that it cannot continue in business with safety to its customers;

c. the mortgage loan broker or mortgage loan originator has been indicted, charged with, or found guilty of any act involving fraud, deception, theft, or breach of trust, or is the subject of an administrative cease-and-desist order or similar order, or of a permanent or temporary injunction currently in effect entered by any court or agency of competent jurisdiction;

d. The mortgage loan broker or mortgage loan originator has made any misrepresentations or false statements to, or concealed any essential or material fact from, any person in the course of doing business in the mortgage lending process, or has engaged in any course of business that has worked or tended to work a fraud or deceit upon any person or would so operate;

e. The mortgage loan broker or mortgage loan originator has made or caused to be made to the commissioner any false representation of material fact, has refused to permit an examination, or has refused or failed, within a reasonable time, to furnish any information or make any report that may have been requested or required by the commissioner.

f. The mortgage loan broker or mortgage loan originator has had any license, registration, or claim of exemption related to the financial services industry denied, suspended, or revoked under the laws of this state or any other state of the United States, or has surrendered or terminated any license, registration, or claim of exemption issued by this state or any other jurisdiction under threat of administrative action; or

g. The surety bond required under KRS 286.8-060 has terminated, expired, or no longer remains in effect.

10. Pursuant to KRS 286.8-060(1), "each mortgage loan company, mortgage loan broker, and mortgage loan originator shall post or be covered by a surety bond for the entire licensure or registration period in an amount prescribed by the executive director, but in no event shall the bond be less than two hundred and fifty dollars (\$250,000) for mortgage loan companies and fifty thousand dollars (\$50,000) for mortgage loan brokers."

CONCLUSIONS OF LAW

11. Respondent has engaged in and is engaging in unsafe, unsound, and illegal practices that pose an imminent threat to the public interest, to wit:

- a. Respondent's surety bond no longer remains in effect. This is grounds for emergency action pursuant to KRS 286.8-048(2)(g).

ORDER

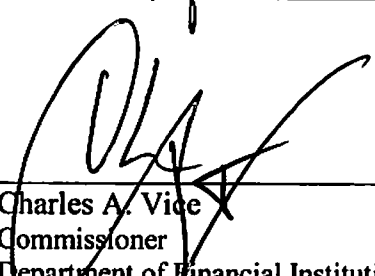
Based on the foregoing Findings of Fact, Statutory Authority, and Conclusions of Law, the Commissioner hereby **ORDERS** as follows:

1. The license of Respondent, GMH Mortgage Services, LLC is **SUSPENDED** and shall remain suspended until this Order is rescinded by subsequent Order.
2. Respondent, GMH Mortgage Services, LLC shall **CEASE AND DESIST** from engaging in the mortgage loan process in Kentucky and shall **CEASE AND DESIST** from acting as a mortgage loan company in Kentucky.

HEARING RIGHTS

You are hereby notified that you have the right to request an emergency hearing on this matter, in writing, within twenty (20) days of the entry of this Order. If requested, an administrative hearing shall be held pursuant to the provisions of KRS 13B. Please submit any request for hearing to Gary A. Stephens, Counsel, Kentucky Department of Financial Institutions, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601.

IT IS SO ORDERED on this the 21st day of Apr., 2017.



Charles A. Vice
Commissioner
Department of Financial Institutions
1025 Capital Center Drive, Ste. 200
Frankfort, KY 40601

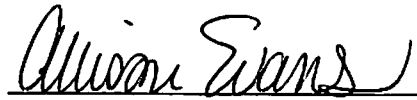
CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing **Order of Emergency Suspension** was served by certified mail, return receipt requested, on this the 24 day of April, 2017 to:

Lindell Blunt
GMH Mortgage Services, LLC
625 West Ridge Pike
Building C, Suite 100
Conshohocken, PA 19428

Hand delivered to:

Gary A. Stephens
Department of Financial Institutions
1025 Capital Center Drive, Ste. 200
Frankfort, KY 40601



Allison Evans
Department of Financial Institutions