

STATE OF MICHIGAN
DEPARTMENT OF ENERGY, LABOR AND ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION

Before the Commissioner of the Office of Financial & Insurance Regulation

In the Matter of:

Cole Realty and Lending, Inc.,
License Nos.: FL-0016040

Enforcement Case No. 10-7746

Respondent

**CONSENT ORDER REQUIRING COMPLIANCE
AND PAYMENT OF FINES**

Issued and entered
on 2/14/11
by **Stephen R. Hilker**
Chief Deputy Commissioner

Based upon the Stipulation to Entry of Consent Order and the files and records of the Office of Financial and Insurance Regulation (OFIR) in this matter, the Chief Deputy Commissioner finds and concludes that:

1. The Chief Deputy Commissioner has jurisdiction and authority to adopt and issue this Consent Order in this proceeding pursuant to the Michigan Administrative Procedures Act of 1969 ("MAPA"), as amended, MCL 24.201 *et seq.*, and the Mortgage Brokers, Lenders, and Servicers Licensing Act (MBLSLA), 1987 PA 173, as amended MCL 445.1651 *et seq.*
2. All required notices have been issued in this case, and the notices and service thereof were appropriate and lawful in all respects.
3. Acceptance of the parties' Stipulation to Entry of Consent Order is reasonable and in the public interest.
4. All applicable provisions of the MAPA have been met.
5. Cole Realty and Lending, Inc. (Respondent) violated MCL 445.1652 and MCL 445.1672

Now therefore, based upon the parties' Stipulation and the facts surrounding this case, **IT IS ORDERED THAT:**

1. The Stipulation to Entry of Consent Order submitted by the parties to the Chief Deputy Commissioner is hereby **ACCEPTED**.

2. Respondent shall Cease and Desist from violating MCL 445.1652 and MCL 445.1672.
3. Respondent shall pay to the State of Michigan, through OFIR, civil fines in the amount of \$2,000. Respondent shall further pay the fines within 30 days of the invoice date as indicated on the OFIR invoice.
4. Respondent shall Cease and Desist from engaging in any activity requiring a license under the MBLSLA or the Secondary Mortgage Loan Act.
5. The Commissioner specifically retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) as he shall deem just, necessary and appropriate in accordance with the MBLSLA. Failure to abide by the terms and provisions of the Stipulation and this Order may result in the commencement of additional proceedings.



Stephen R. Hilker
Chief Deputy Commissioner

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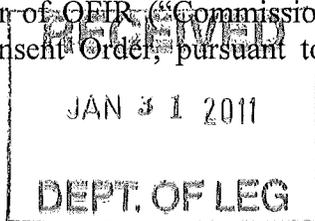
Respondent

_____ /

**STIPULATION TO ENTRY OF CONSENT ORDER REQUIRING COMPLIANCE AND
PAYMENT OF FINES**

Cole Realty and Lending, Inc. ("Respondent") and the Office of Financial and Insurance Regulation ("OFIR") hereby stipulate and agree to the following:

1. OFIR staff conducted an on-site Examination of Respondent's books and records commencing on January 26, 2009, pursuant to Section 11(2)(c) of the Mortgage Brokers, Lenders, and Servicers Licensing Act ("MBLSLA"), MCL 445.1661(2)(c), and Section 6b(2)(b) of the Secondary Mortgage Loan Act ("SMLA"), MCL 493.56b(2)(b). The Examination concluded on March 16, 2009.
2. On or about February 9, 2010, a Notice of Opportunity to Show Compliance ("NOSC") was issued by OFIR to Respondent in the above entitled matter pursuant to the provisions of the Michigan Administrative Procedures Act ("MAPA"), MCL 24.201 *et seq.*, and the MBLSLA.
3. The NOSC contained allegations that Respondent violated the MBLSLA and set forth the applicable laws and penalties which could be taken against the Respondent.
4. On or about February 25, 2010, Respondent submitted a written statement in response to the allegations set forth in the NOSC. Staff determined that Respondent has not made a sufficient showing of compliance related to material allegations contained in the NOSC.
5. Respondent conferred for the purposes of resolving this matter and determined to settle this matter pursuant to the terms set forth below.
6. The Commissioner of OFIR ("Commissioner") has jurisdiction and authority to adopt and issue this Consent Order, pursuant to the MAPA, MCL 24.201 *et seq.*, and the MBLSLA.

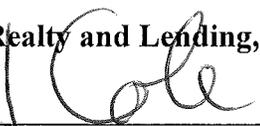


7. At all times pertinent to the matter herein, Respondent was licensed with OFIR as a mortgage broker pursuant to the MBLSLA, and registered with OFIR as a secondary mortgage broker pursuant to the SMLA.
8. Respondent surrendered its mortgage broker license and registration on November 5, 2010.
9. Based upon the allegations set forth in the NOSC and communications with the Respondent, the following facts were established:
 - a. Respondent allowed an independent contractor to operate a net branch location as a mortgage broker/loan officer without the license and registration required by Section 2 of the MBLSLA. Respondent lacked control and supervision of the branch office and compensated the independent contractor for originating mortgage loans. By conducting activities under the MBLSLA with, and providing compensation to, an independent contractor who is not an employee of Respondent and is not licensed, registered or exempt under the MBLSLA, Respondent violated MCL 445.1652(4).
 - b. An agent of the Respondent engaged in misrepresentation or omission to lenders in connection with residential mortgage loan transactions. Respondent is responsible for the conduct of its agent. The activity engaged in by the Respondent's agent violated Section 22(b) of the MBLSLA. Therefore, Respondent is in violation of Section 22(b) of the MBLSLA, MCL 445.1672(b).
10. Respondent agrees to CEASE and DESIST from any and all the violations set forth in paragraph 8.
11. Respondent agrees that it will pay to the State of Michigan, through OFIR, civil fines and penalties in the amount of \$2,000. Respondent further agrees to pay the fines within 30 days of the invoice date as indicated on the OFIR invoice.
12. Respondent understands that fines assessed under the MBLSLA may be sued for and recovered by and in the name of the Commissioner and may be collected and enforced by summary proceedings by the attorney general of this state.
13. Both parties have complied with the procedural requirements of the MAPA and the MBLSLA.
14. Respondent understands and agrees that this Stipulation will be presented to the Chief Deputy Commissioner for approval.
15. The Chief Deputy Commissioner may, in his sole discretion, decide to accept or reject the Stipulation to Entry of Consent Order and Consent Order Requiring Compliance and Payment of Fines. If the Chief Deputy Commissioner accepts the Stipulation and Consent

Order, Respondent waives the right to a hearing in this matter. If the Chief Deputy Commissioner does not accept the Stipulation and Consent Order, Respondent waives any objection to the Commissioner holding a formal administrative hearing and making his decision after such hearing.

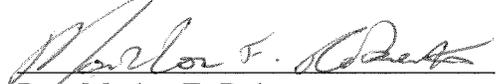
16. The failure to abide by the terms and conditions of this Stipulation and Consent Order may, at the discretion of the Commissioner, result in further administrative compliance actions.
17. The Commissioner has jurisdiction and authority under the provisions of the MAPA and the MBLSLA to accept the Stipulation and to issue a Consent Order resolving these proceedings.
18. Respondent has had an opportunity to review the Stipulation and Consent Order and have the same reviewed by legal counsel.

Cole Realty and Lending, Inc.

By:  _____

Dated: 1-26-2011

Office of Financial & Insurance Regulation

By:  _____
Marlon F. Roberts
Staff Attorney

Dated: 2/4/2011