

IN THE MATTER OF:

SEAN PATRICK McCARTHY,

Respondent.

BEFORE THE MARYLAND

COMMISSIONER OF

FINANCIAL REGULATION

Case No.: CFR-FY2014-0077

SETTLEMENT AGREEMENT AND CONSENT ORDER

This Settlement Agreement and Consent Order (“Agreement”) is entered into this 7th day of November, 2014, by and between the Maryland Commissioner of Financial Regulation (the “Commissioner”), and Sean Patrick McCarthy (“Respondent”). The Commissioner and Respondent (the “Parties”) consent to the entry of this Agreement as a final resolution of this matter. All paragraphs below are intended to be part of the contractual obligations of the Parties hereto, so far as they may be so construed, and are not mere recitals to this Agreement.

1. Pursuant to the Maryland Mortgage Originator Law (Annotated Code of Maryland, Financial Institutions Article (“FI”) § 11-601 *et seq.*), the Commissioner is responsible for licensing and examining all mortgage loan originators the State of Maryland (the “State”).

2. During all periods relevant hereto, Respondent was duly licensed as a mortgage originator pursuant to the Maryland Mortgage Originator Law (License No. 26-8015).

3. On June 26, 2014, the Deputy Commissioner of Financial Regulation issued a Summary Order to Cease and Desist and Suspension of Respondent’s Maryland Mortgage Originator License (“Summary Order”), alleging that Respondent improperly used a customer’s credit card to pay two of Respondent’s personal bills. The Summary Order alleged that

Respondent's actions violated the Maryland Mortgage Originator Law, the Maryland Mortgage Fraud Protection Act (Annotated Code of Maryland, Real Property Article ("RP") § 7-401 *et seq.*), and COMAR 09.03.09.04(A), which mandates a "duty of good faith and fair dealing in communications and transactions with a customer."

4. On October 23, 2014, the parties argued their respective cases before Administrative Law Judge Kimberly Farrell at the Office of Administrative Hearings, 11101 Gilroy Road, Hunt Valley, Maryland. At the hearing, the Commissioner also alleged that Respondent violated FI § 11-604(d)(2)(ii) by failing to update his status on the Nationwide Mortgage Licensing System (NMLS).

5. Respondent admits to the facts stated herein, but he does not admit to the alleged violations set forth above. Nonetheless, Respondent wishes to resolve the alleged violations without the need for further administrative hearings or other legal proceedings, and to avoid the costs associated with such proceedings and any potential appeals. Respondent, therefore, agrees to resolve this matter fully, finally, and completely without further administrative proceedings commenced and further accepts without condition, and fully agrees to abide by, each and every term set forth in this Agreement.

6. The Commissioner desires to ensure that Respondent will comply with all applicable statutes, regulations, and others laws governing Maryland mortgage lending, brokering, and origination, and further wishes to avoid the costs to the taxpayers of further administrative proceedings and any potential appeals.

7. In exchange for a final resolution of all allegations made herein, Respondent hereby agrees to a three-year suspension of his Maryland mortgage originator's license, effective upon execution of this Order.

8. Respondent acknowledges that he has voluntarily entered into this Agreement, after a hearing on the allegations was held, and that Respondent hereby waives his right to any future administrative proceedings. Respondent further acknowledges that he has had an opportunity to consult with independent legal counsel in connection with the waiver of rights and with the negotiation and execution of this Agreement, and that Respondent has either consulted with independent legal counsel or has knowingly and voluntarily elected not to consult with counsel.

9. The Parties hereto agree that any notices hereunder shall be effectively "delivered" when sent via overnight delivery or certified mail as follows:

a. To the Commissioner:

Commissioner of Financial Regulation
500 North Calvert Street, Suite 402
Baltimore, Maryland 21202-3651

With a copy to:

Christopher Gray, Esq.
Staff Attorney
500 North Calvert Street, Suite 406
Baltimore, Maryland 21202-3651

b. To Sean Patrick McCarthy:

Sean Patrick McCarthy


NOW, **THEREFORE**, it is, by the Maryland Commissioner of Financial Regulation,
hereby

ORDERED that Sean Patrick McCarthy shall adhere to all terms of this Settlement Agreement and Consent Order; and it is

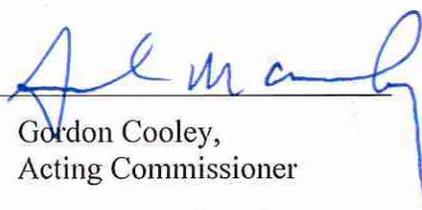
ORDERED that this matter shall be resolved in accordance with the terms of this Settlement Agreement and Consent Order and the same shall be reflected among the records of the Office of the Commissioner of Financial Regulation; and it is further

ORDERED that this document shall constitute a Final Order of the Maryland Commissioner of Financial Regulation and, that the Commissioner may consider this Settlement Agreement and Consent Order and the facts set forth herein in connection with, and in deciding, any action or proceeding before the Commissioner; and that this Settlement Agreement and Consent Order may, if relevant, be admitted into evidence in any matter before the Commissioner.

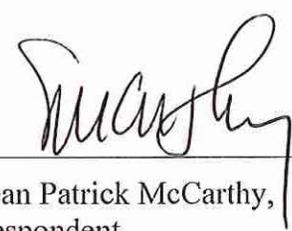
It is so **ORDERED**.

IN WITNESS WHEREOF, this Settlement Agreement and Consent Order is executed and effective on the day and year first above written.

**MARYLAND COMMISSIONER
OF FINANCIAL REGULATION**


By: Gordon Cooley,
Acting Commissioner

SEAN PATRICK McCARTHY


By: Sean Patrick McCarthy,
Respondent