

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
DEPARTMENT OF BUSINESS REGULATION



DIVISION OF BANKING  
1511 PONTIAC AVENUE, BLDG. 68-2  
CRANSTON, RHODE ISLAND 02920  
Telephone: (401) 462-9503

IN THE MATTER OF:  
STEVEN C. LENNON, NMLS ID #: 24453  
DBR NO.: 09-B-0233

CONSENT AND ENFORCEMENT ORDER

**I. Introduction**

1. On or about, April 1, 2008 Steven C. Lennon ("Applicant") filed an application for Registration as a Mortgage Loan Originator pursuant to R. I. Gen. Laws §§ 19-14-3(e)(5) followed by an application for a license as a Mortgage Loan Originator on December 24, 2008 ("Application") with the Division.
2. Applicant's unique NMLS identifying number is 24453.
3. In its Notice of Intent to Deny the Application, the Department asserted that the Application should be denied pursuant to R. I. Gen. Laws §§ 19-14-7(c) and (d), 19-14.10-6 and 19-14.10-13 for the following reasons:
  - a. Applicant has failed to provide Rhode Island State Specific Requirements including the following:
    - i. Authorization of Background Check and Release;
    - ii. FD258 Fingerprint Cards or the results of a fingerprint criminal background check performed at the Rhode Island Department of Attorney General;
    - iii. Personal Financial Statement;
    - iv. A copy of a valid photo identification.

- b. Applicant failed to disclose the fact that while Applicant was sole owner and President and Manager of a Rhode Island Loan Broker company, the company's license was revoked and subject to past regulatory sanctions. Applicant provided a "NO" response when responding to the following disclosure questions through the NMLS:

Has any state or federal regulatory agency or foreign regulatory agency ever:

- i. Found you to have been involved in a violation of a financial services-related business regulation or statute?
  - ii. Found you to have been the cause of a financial services-related business having its authorization to be business denied, suspended, revoked or restricted?
  - iii. Entered an order against you in connection with a financial services-related activity?
  - iv. Denied, suspended, or revoked your registration or license, disciplined you or otherwise by order, prevented you from associating with a financial services-related business or restricted your activities?
- c. Applicant failed to comply with a requirement of the Division lawfully made pursuant to R.I. Gen. Laws § 19-14-1 *et seq.* regarding the storage and retention of records remaining after the license of his wholly owned Loan Broker Company was revoked.
- d. As of the date of the Application, Applicant had failed to comply with the terms of the revocation order of the Loan Broker Company of which he was sole owner. Specifically, he did not file an Annual Report pursuant to R.I. Gen. Laws § 19-14-22 with respect to said Loan Broker Company.
- e. Applicant failed to comply with R.I. Gen. Laws § 19-14-22(d) when he failed to inform the Division of his change in employment within fifteen (15) business days.
- f. Based on the misrepresentation indicated herein, and Applicant's continued and repeated failure to comply with statutory and regulatory mandates, Applicant's financial character and fitness is not such as to command the confidence of the

community and to warrant belief that the business will be operated honestly, fairly, and efficiently as required by R.I. Gen. Laws §§ 19-14-7 and 19-14.10-6.

4. The Division received a written request for a hearing from Applicant on March 2, 2009 and a hearing officer was appointed on December 10, 2009 and the hearing had concluded.

## **II. Settlement Agreement**

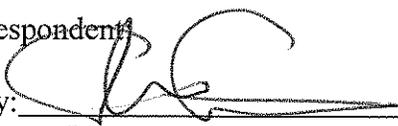
In consideration of the foregoing and the mutual promises set forth herein, and to resolve all known issues, Respondent voluntarily waives its right to complete the hearing process, and admits the violations cited in the Order and paragraphs 1-4 in Section 1 herein, and affirms that upon executing this Consent and Enforcement Order that Respondent shall:

1. Immediately pay to the Department by check payable to the "General Treasurer, State of Rhode Island" a total fee of two thousand five hundred dollars (\$2,500) for failing to file an annual report with respect to the Loan Broker Company whose license was revoked.
2. For two (2) years from the date of this Order be restrained from acting in any capacity other than a mortgage loan originator and shall not engage in the management, either directly or indirectly, of any Division of Banking licensee or regulated entity without the prior written notice to and written approval by the Department. All requests for acting in any capacity other than a mortgage loan originator shall contain a specific written description of function, job duties and responsibilities.
3. Comply with all statutory and regulatory requirements for obtaining and maintaining a license under R.I. Gen. Laws §§ 19-14-1 *et seq.* and 19-14.10-1 *et seq.*

### III. Reservation of Rights

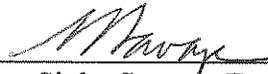
The Department reserves its rights to further adjudicate, through the administrative hearing process, the facts in this matter should it receive additional or new information related to the allegations in the Order and/or violation of the terms of this Consent and Enforcement Agreement and/or any information which may implicate other violations by Respondent, subject to Respondent's right to a hearing.

Respondent:

By:   
Steven Lennon

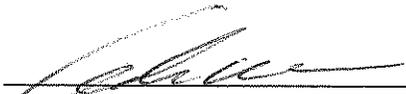
Date: 3/15/2011

For the Department:

By:   
Neena Sinha Savage, Esq.  
Department of Business Regulation

Date: 3/17/11

RECOMMENDED BY:

 3/18/11  
Catherine R. Warren, Esq.  
Hearing Officer  
Department of Business Regulation

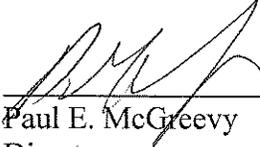
ORDER

I have read the Hearing Officer's Recommendation in this matter, and I hereby take the following action with regard to the Recommendation:

ADOPT  
 REJECT  
 MODIFY

Dated: 21 March 2011

Order No. 11-017

  
\_\_\_\_\_  
Paul E. McGreevy  
Director

NOTICE OF APPELLATE RIGHTS

**THIS CONSENT AND ENFORCEMENT AGREEMENT CONSTITUTES A FINAL ORDER OF THE DEPARTMENT OF BUSINESS REGULATION PURSUANT TO R. I. GEN. LAWS § 42-35-12. PURSUANT TO R.I. GEN. LAWS § 42-35-15, THE ALLEGATIONS IN THIS AGREEMENT COULD HAVE BEEN ADJUDICATED AND THE FINAL DECISION MAY BE APPEALED TO THE SUPERIOR COURT SITTING IN AND FOR THE COUNTY OF PROVIDENCE WITHIN THIRTY (30) DAYS OF THE DATE OF THE FINAL DECISION OF THE DEPARTMENT. SUCH APPEAL, IF TAKEN, MUST BE COMPLETED BY FILING A PETITION FOR REVIEW IN SUPERIOR COURT. HOWEVER, RESPONDENT UNDERSTANDS THAT BY WAIVING HIS RIGHT TO COMPLETE THE HEARING AND AGREEING TO THIS CONSENT AND ENFORCEMENT AGREEMENT, THE ABOVE RIGHTS ARE WAIVED AND IF ANY TERMS OF THIS CONSENT AND ENFORCEMENT AGREEMENT ARE VIOLATED THE DEPARTMENT SHALL SEEK ADDITIONAL REMEDIES PURSUANT TO ALL APPLICABLE STATUTES AND REGULATIONS.**

**CERTIFICATION**

I hereby certify on this 21<sup>st</sup> day of March 2011, that a copy of the within Order was delivered by email, to: slennon@otfunding.com. A separate hard copy will be mailed to:

Steven C. Lennon  
156 Gilbert Stuart Drive  
East Greenwich, RI 02818

R Brooke Ellison