

DEPARTMENT OF CONSUMER AFFAIRS
OF THE CITY OF NEW YORK

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NYC DEPARTMENT OF CONSUMER AFFAIRS,
Complainant,

-against-

PennyMac Corp.,
6101 Condor Dr., Ste. 300, Moorpark, CA 93021,
[License # 1427846],

Respondent.

SETTLEMENT AGREEMENT AND
ORDER

No.: LL005312961

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1. The Respondent PennyMac Corp. (“Respondent”), Lic. No. 1427846, enters into this final Settlement Agreement and Order with the New York City Department of Consumer Affairs (the “Department”) in the above captioned matter, specifically, the Department’s investigation into possible violations of Section 20-490 of the New York City Administrative Code (“Admin. Code”) by engaging in unlicensed debt collection activity.
2. Jeff Grogin, as Chief Administrative and Legal Officer and Secretary of Respondent, represents and warrants that he is authorized to settle this action and to enter into a final Settlement Agreement and Order with the Department on behalf of Respondent.
3. This Settlement Agreement and Order shall apply to Respondent, its directors, officers, employees, representative agents, assignees, and successors. For the purposes of this Settlement Agreement and Order, “employee” means any person employed for hire or permitted to work by Respondent including, but not limited to, any person who manages or oversees the work of another, any person whose principal activity is the

selling of any goods or services for Respondent, and any person whose earnings are based in whole or in part on commission for work performed for Respondent.

4. Respondent agrees to this Settlement Agreement and Order to avoid protracted litigation but does not admit any wrongdoing.

LICENSING

5. Respondent shall not act as a debt collection agency as defined in Section 20-489 of the Admin. Code at any time without holding a valid license from the Department.
6. If Respondent is found to be engaging in debt collection activity without the required license(s) at any time after the execution of this Settlement Agreement and Order, for the purpose of imposing fines, there shall be a presumption of continuous unlicensed activity commencing on the date of execution of this Settlement Agreement and Order.
7. Respondent agrees to comply fully with all relevant laws and rules related to debt collection in New York City including, but not limited to: (a) the Licensing Law and Rules, Admin. Code § 20-101 *et seq.* and Title 6 of the Rules of the City of New York (“6 R.C.N.Y.”) §§ 1-01 *et seq.*; (b) the Debt Collection Agencies Licensing Law and Rules, Admin. Code §§ 20-488 *et seq.* and 6 R.C.N.Y. §§ 2-190 *et seq.*; and (c) the Consumer Protection Law and Rules, Admin. Code §§ 20-700 *et seq.* and 6 R.C.N.Y. §§ 5-76 *et seq.*
8. Upon the termination of a license by revocation, expiration, denial, or surrender, Respondent shall immediately cease its debt collection activities with respect to New York City consumers.

PAYMENT TO THE DEPARTMENT

9. Respondent agrees to pay to the Department a total settlement amount of \$7,000, with the payment due within four days of execution of this agreement, to be paid by wire transfer, certified check or money order made payable to the New York City Department of Consumer Affairs. Respondent shall deliver the payment to: New York

City Department of Consumer Affairs, 42 Broadway – 9th Floor, New York, New York
10004, Attn: Christopher Howell-Little.

COMPLIANCE

10. Respondent shall produce the following, electronically in the format indicated by the Department, within ten (10) days of receiving a request from the Department:
 - a. Copies of any complaints Respondent receives regarding Respondent's attempts to collect debt purportedly owed by New York City consumers; "Complaints" means those submitted directly to Respondent by the borrower, the borrower's representative, the Better Business Bureau, or a regulator or governmental authority.
 - b. The records Respondent is required to keep pursuant to this Settlement Agreement and Order or Section 2-193 of the Rules; and
 - c. Documents sufficient to identify the manner in which Respondent maintains its records.
11. Respondent shall respond to any and all subpoenas and document requests issued to it by the Department.
12. Nothing in this section shall be construed to obviate Respondent's responsibilities pursuant to Sections 1-14, 1-16, and 2-193 of the Rules.
13. Respondent shall provide to the Department, on a quarterly basis, a report summarizing the status and relevant details of: (i) all financial services-related litigation in which any of Respondent's principals are named as party that is pending as of the date of the report; and (ii) litigation that Respondent previously disclosed to the Department in a prior quarterly report or a prior license application. Quarterly reporting shall begin starting the first week of March 2013, and shall continue until July 2014. For the purposes of this Paragraph 13, "principals" shall mean Stanford Kurland, David Spector and Jeff Grogin, so long as each is employed by Respondent.

14. In addition to the quarterly reporting specified in Paragraph 13, Respondent shall report to the Department:
 - a. All pending actions, proceedings or investigations by government agencies against Respondent in a monthly report filed by the tenth day of the month following the date any such government agency gives Respondent notice of the action, proceeding, or investigation; and
 - b. The resolution or result of any such action, proceeding, or investigation in a monthly report filed by the tenth day of the month following the date any such action, proceeding, or investigation is resolved.

CONSEQUENCES OF BREACH

15. In the event that Respondent is found to have materially breached any of the terms of this Settlement Agreement and Order, Respondent shall be ordered to pay maximum fines and shall be subject to license revocation.

OTHER TERMS AND CONDITIONS

16. The acceptance of this Settlement Agreement and Order by the Department shall not be deemed approval by the Department of any of Respondent's business practices, and Respondent shall make no representation to the contrary.
17. Respondent agrees to waive any further right to a hearing and/or appeal of the above-referenced citation under Section 20-105 of the Code or under Article 78 of the New York State Civil Practice Law and Rules, Sections 7801-7806.
18. This matter will be considered settled upon execution of this Settlement Agreement and Order and payment of the sum as set forth above in Paragraph 9.
19. Upon execution of this Settlement Agreement and Order and payment of the Settlement Amount, the Department will confirm that PMC is licensed. PMC is permitted to engage in any activities for which a debt collection agency license is required during the duration of the license (i.e. until the license terminates by expiration, surrender, suspension, revocation, cancellation, or operation of law).

Agreement Dated: February 13, 2013

Agreed to:
PennyMac Corp.

Accepted for Jonathan Mintz, Commissioner of
Consumer Affairs for the City of New York

By: 
Jeff Grogin
Its: Chief Administrative and Legal Officer
and Secretary
Date: February 7, 2013

By: 
City Staff Attorney
Date: 2/13/2013

All businesses must comply with all relevant local, state and federal laws. Copies of New York City's laws and rules pertaining to debt collection agencies are available: in person at DCA's Licensing Center, located at 42 Broadway, 5th Floor, New York, NY 10004; by calling 311, New York City's 24-hour Citizen Service Hotline; or by going online at www.nyc.gov/consumers.