



STATE OF CONNECTICUT
DEPARTMENT OF BANKING
260 CONSTITUTION PLAZA – HARTFORD, CT 06103



Jorge L. Perez
Commissioner

IN THE MATTER OF:

1st ALLIANCE LENDING, LLC

NMLS # 2819

FINDINGS OF FACT,
CONCLUSIONS OF LAW AND
ORDER

SYNOPSIS

This case focuses on whether an August 1, 2019 Notice of Automatic Suspension, Notice of Intent to Revoke Mortgage Lender License and Notice of Right to Hearing (the "Notice") issued by the Commissioner against 1st Alliance Lending, LLC ("Respondent") should stand.

FINDINGS OF FACT

- 1. 1st Alliance Lending, LLC ("Respondent") is a Connecticut limited liability company having its main office at 111 Founders Plaza, Suite 1300, East Hartford, Connecticut. (Hearing Officer's Ex. 1).
2. John DiIorio is the Chief Executive Officer of Respondent (tr. 49), and has been affiliated with Respondent since November 2004 as managing member or Chief Executive Officer (tr. 50).
3. At all times pertinent hereto, Respondent's main office has been licensed by the Commissioner, through the Nationwide Multistate Licensing System and Registry ("NMLS" or the "System"), to engage in the business of a mortgage lender in Connecticut (Hearing Officer's Ex. 1).

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4. On December 5, 2018, the Banking Commissioner of the State of Connecticut (the “Commissioner”) initiated administrative proceedings against Respondent by issuing a Notice of Intent to Revoke Mortgage Lender License, Notice of Intent to Issue Order to Cease and Desist, Notice of Intent to Impose Civil Penalty and Notice of Right to Hearing (the “December 5, 2018 Notice”). The allegations in the December 5, 2018 Notice, which remains pending, are separate and distinct from those in the instant proceeding.
5. On May 22, 2019, the Hartford Fire Insurance Company issued a Notice of Cancellation of Bond (Bond Number 83BSBGK0938) with respect to Respondent. The Notice of Cancellation of Bond was addressed to the State of Connecticut Department of Banking, with a copy to 1st Alliance Lending, LLC, 111 Founders Plaza, Suite 1300, East Hartford, Connecticut 06108 (Department of Banking (hereinafter, “DOB”) Ex. 1).
6. The Notice of Cancellation of Bond recited that 1) on or about November 19, 2012, the Hartford Fire Insurance Company, as surety, had executed a Mortgage Brokers/Bankers/Lenders – First/Second mortgage bond in the penalty amount of \$200,000 on behalf of Respondent as principal and in favor of the State of Connecticut, Department of Banking as Obligee; 2) the bond, by its terms, provided that the Surety would have the right to terminate its suretyship under the bond by serving notice of its election to do so on the Obligee; 3) the Surety desired to terminate its liability under the bond; and 4) effective July 31, 2019, the Hartford Fire Insurance Company considered itself released from all liability by reason of any default committed thereafter by Respondent (DOB Ex. 1).
7. John DiIorio testified that Respondent received notice of the proposed bond cancellation in May 2019 via an e-mail sent from Respondent’s broker (tr. 50).
8. On May 30, 2019, Denise Smith, Client Service Manager of Gallagher Insurance in Crystal Lake, Illinois, e-mailed John DiIorio a message stating that The Hartford was going to stay on the entire account “except for CT which is being canceled and we have until 7/31/19 to replace it . . . Currently, WIIC has approved the \$200k CT bond at a rate of \$25.00 per \$1,000 which would be \$5,000.00 annually. They are also requesting that we add spousal to the indemnity in which we currently have corporate and personal indemnity at this time.” The e-mail elicited additional information “to update the indemnity and get the \$100k CT Lender bond in place.” (Respondent’s Ex. 1).
9. John DiIorio testified that the \$200,000 replacement coverage referenced in Denise Smith’s e-mail would have exceeded the minimum required under Connecticut law (tr. 52).
10. John DiIorio testified that, for \$5,000, Respondent could have gotten a bond and maintained its Connecticut license (tr. 52), but that Respondent ultimately declined the offer of replacement coverage (tr. 80).
11. On June 5, 2019, the State of Connecticut Department of Banking received the Notice of Cancellation of Bond issued by the Hartford Fire Insurance Company. (DOB Ex. 1)
12. Amy Grillo is an Administrative Assistant employed by the State of Connecticut Department of Banking (tr. 15).

13. Amy Grillo testified that her job responsibilities were as follows: “I send out the report of examinations, invoicing, I receive all notice of cancellations of bonds, and any other administrative duties for the consumer credit division.” (tr. 16) Amy Grillo testified that she receives “hundreds” of bond cancellations per year. (tr. 16) According to Grillo, “I immediately go onto NMLS to see if their license is active. If their license is active, I immediately do an internal alert and I send a deficiency to the NMLS account . . . I send out a compliance letter giving them a chance to comply with the law.” (tr. 16)
14. On June 7, 2019, Amy Grillo created an entry in the NMLS online system stating that a bond cancellation notice had been received for Respondent effective July 31, 2019, and that a failure to replace or reinstate the bond would result in an automatic suspension and revocation and/or refusal to renew Respondent’s license. (DOB Ex. 2; tr. 18). The NMLS entry contained no notations or references to the effects of a license surrender.
15. Heather Sanchez is the Chief Compliance Officer for Respondent (tr. 19).
16. On June 7, 2019, Amy Grillo e-mailed Heather Sanchez a message stating “See the attached for your immediate attention.” The e-mail indicated that the attachment consisted of a pdf document entitled “1st Alliance Lending – Compliance Letter.” (DOB Ex. 3).
17. The attachment to Amy Grillo’s June 7, 2019 e-mail consisted of a June 7, 2019 letter to Heather Sanchez, Chief Compliance Officer of Respondent, and was signed by Carmine Costa, Director of the Consumer Credit Division of the Department of Banking, on behalf of the Commissioner (DOB Ex. 3). Heather Sanchez was located at 9800 Richmond Avenue, Suite 201, Houston, Texas 77042. The subject line of the letter read “Notice of Impending Automatic Suspension of License and Administrative Action.” The letter enclosed a copy of DOB Ex. 1 (the bond cancellation notice).
18. The letter stated that Section 36a-492 of the Connecticut General Statutes required Respondent to maintain a surety bond running concurrently with the period of the license for Respondent’s main office, and the license could not be renewed absent such bond. (DOB Ex. 3).
19. The letter stated that “Your failure to have a bond in effect on July 31, 2019, will result in the automatic suspension of your license and cause the Commissioner to inactivate the license of each Connecticut mortgage loan originator you sponsor, in accordance with Section 36a-492(c) of the Connecticut General Statutes. (DOB Ex. 3).
20. The letter added that “In order to avoid these outcomes, you must submit a letter of reinstatement of the bond from the surety company or a new bond from a surety company, providing for an effective date on or prior to the bond cancellation effective date above, or cease doing business and surrender the license on the Nationwide Multistate Licensing System and Registry in accordance with Sections 36a-51(c) and 36a-490 of the Connecticut General Statutes.” (DOB Ex. 3)
21. The letter further stated that “[i]n the event of automatic suspension, the Commissioner shall give you notice of the automatic suspension and of the commencement of proceedings for revocation or refusal to renew your license pursuant to Section 36a-494(a) of the Connecticut General Statutes and an opportunity for a hearing on such actions in accordance with subsections (a) and (b) of Section 36a-51 of the Connecticut General Statutes, and require you

to take or refrain from taking such action as in the opinion of the Commissioner will effectuate the purposes of Section 36a-492 of the Connecticut General Statutes.” (DOB Ex. 3)

22. The letter went on to quote the following passage of Section 4-182(c) of the Connecticut General Statutes: “No revocation . . . of any license is lawful unless, prior to the institution of agency proceedings, the agency gave notice by mail to the licensee of facts or conduct which warrant the intended action and specific provisions of the general statutes or of regulations adopted by the agency that authorize such intended action, and the licensee was given an opportunity to show compliance with all lawful requirements for the retention of the license.” (DOB Ex. 3)
23. The letter also quoted portions of Section 36a-52a of the Connecticut General Statutes providing that notwithstanding Section 4-182(c) of the Connecticut General Statutes, the notice provisions of Section 4-182(c) could be satisfied by personal delivery or electronic mail delivery. (DOB Ex. 3)
24. The letter concluded by stating that “[w]ithout limiting any other administrative actions the Commissioner may take in accordance with Sections 36a-494, 36a-50 and 36a-52 of the Connecticut General Statutes, if you fail to address this issue, this letter serves as notice to you pursuant to Section 4-182(c) of the Connecticut General Statutes and provides you an opportunity to show compliance with all lawful requirements for the retention of your license.” (DOB Ex. 3)
25. John DiIorio testified that he discussed the Department’s June 7, 2019 letter with Heather Sanchez that day (tr. 52).
26. John DiIorio testified that he did not elicit clarification of the Department’s June 7, 2019 letter either from the Department or through legal counsel (tr. 76).
27. John DiIorio testified that, at the end of May 2019, the Respondent started to wind down originations in Connecticut, New Hampshire and Vermont. (tr. 57)
28. However, John DiIorio also testified that, at some point, Respondent was “trying very hard to put together a recovery plan.” (tr. 63)
29. On July 11, 2019 at 1:19 p.m., Amy Grillo e-mailed Heather Sanchez, Chief Compliance Officer of Respondent, and attached a copy of the Department’s June 7, 2019 correspondence. Amy Grillo’s e-mail stated that: “I have not gotten any response, a reinstatement of the bond or a new bond . . . To avoid Automatic Suspension and Administrative Action, you must submit a letter of reinstatement of the bond from a surety company or a new bond from a surety company prior to July 31, 2019. Please advise.” (DOB Ex. 4)
30. Amy Grillo testified that she sent the July 11, 2019 e-mail to Heather Sanchez because Grillo had not received a response to her prior e-mail (tr. 21).
31. On July 11, 2019 at 4:31 a.m., John DiIorio e-mailed Amy Grillo, with copies to Heather Sanchez and David Ward. (DOB Ex. 5)
32. The July 11, 2019 e-mail from John DiIorio to Amy Grillo stated that “1st Alliance Lending, LLC received the Departments [sic] letter, Dated June 7th, 2019. We are contemplating our options, and understand the deadline. We will communicate our plan of action to the

Department prior to COB, on or about July 30, 2019; as required by law, and clear, publicly available regulatory guidance.” (DOB Ex. 5) The e-mail included the related message string from Amy Grillo and a separate e-mail from Heather Sanchez to John DiIorio indicating that she had forwarded Ms. Grillo’s July 11, 2019 message to Mr DiIorio on July 11, 2019 at 1:43 p.m. (DOB Ex. 5)

33. On July 15, 2019, the Commissioner issued an Amended and Restated Notice of Intent to Revoke Mortgage Lender License, Notice of Intent to Issue Order to Cease and Desist, Notice of Intent to Impose Civil Penalty and Notice of Right to Hearing against Respondent (the “July 15, 2019 Notice Amendment”). This document amended and restated the December 5, 2018 Notice which, as stated previously, contained allegations separate from those in the instant action.
34. John DiIorio testified that on or about July 22, 2019 or July 23, 2019, Respondent decided not to pursue a replacement bond (tr. 58). John DiIorio testified that Respondent would have obtained a replacement bond had it known that the Department could decide not to accept the surrender of a license.
35. John DiIorio testified that Respondent closed its last loan for Connecticut, Vermont and New Hampshire on July 26, 2019 (tr. 57).
36. On July 29, 2019 at 1:59 pm, John DiIorio e-mailed Amy Grillo, with copies to Heather Sanchez, Ross Garber and Craig Raabe, that “1st Alliance is voluntarily surrendering its license. Our licensing manager will enter the information into NMLS before COB 7/31. The active pipeline contains no Connecticut consumers. Please confirm receipt of this message by reply email.” (DOB Ex. 6)
37. Amy Grillo testified that, prior to July 31, 2019, the Department did not receive notice that Respondent’s canceled bond had been reinstated or that Respondent had obtained a new bond (tr. 23).
38. Amy Grillo testified that, on July 31, 2019, she made an online NMLS entry reflecting the suspension of R’s license (tr. 24), and that such action was in conformity with standard procedure (tr. 25; tr. 28).
39. On August 1, 2019, the Commissioner issued a Notice of Automatic Suspension, Notice of Intent to Revoke Mortgage Lender License and Notice of Right to Hearing regarding Respondent (the “August 1, 2019 Notice”). The August 1, 2019 Notice automatically suspended Respondent’s mortgage lender license effective July 31, 2019. The August 1, 2019 Notice provided that, if a hearing were requested, it would be held on September 24, 2019 (Hearing Officer Ex. 1).
40. On August 14, 2019, Attorney Ross Garber entered an Appearance and Request for Hearing on behalf of Respondent. (Hearing Officer Ex. 2)
41. By letter dated August 15, 2019 to the Commissioner, the law firm of Iazard Kindall & Raabe LLP communicated Respondent’s desire to seek an immediate stay or withdrawal of the August 1, 2019 Notice. Attorney Garber was listed as co-counsel on the letter.

42. On August 21, 2019, the Commissioner issued a Notification of Hearing and Designation of Hearing Officer setting the hearing on the August 1, 2019 Notice for September 24, 2019. The Notification of Hearing included a copy of the August 1, 2019 Notice.
43. On August 22, 2019, legal counsel for the Department responded to Respondent's counsel's August 15, 2019 letter.
44. On August 26, 2019, John DiIorio e-mailed Amy Grillo and Carmine Costa a message bearing the subject line "Suspension." Heather Sanchez was cc'd on the e-mail. (DOB Ex. 7)
45. Respondent's legal counsel was not cc'd on the August 26, 2019 e-mail. (DOB Ex. 7)
46. In his August 26, 2019 e-mail, John DiIorio stated that 1) "On June 3rd, 1st Alliance Lending, LLC closed an MSR sale. All but 5 CT MSR's were sold on this date"; 2) "On July 26th, 1st Alliance Lending, LLC funded its final Connecticut transaction"; 3) "On July 30th, our licensing manager entered our surrender, as allowed by statute, and offered by Messrs. Perez and Costa, into NMLS"; 4) "As of July 31st, 1st Alliance Lending, LLC had no active loans in CT"; and 5) "Ownership of 5 MSR's doesn't require licensure, making the Lender license servicing exemption moot." The e-mail also remarked that, with respect to Ms. Grillo's July 11, 2019 e-mail, "Oddly, you left out surrender, allowed by both statute and overtly offered in the June 7th letter; from commissioner Perez, under the signature of Carmine Costa. Was it a directive to omit the surrender option from this correspondence? If so, whom? We just assumed that was an oversight [sic] on your part, assuming an email from Department employee doesn't override a letter from the commissioner and state law." (DOB Ex. 7)
47. On August 27, 2019 at 10:52 am., John DiIorio e-mailed Administrative Assistant Amy Grillo and Director Carmine Costa, with a copy of the e-mail to Heather Sanchez. The subject line of the message read "Suspension." Respondent's legal counsel was not cc'd on the e-mail. (DOB Ex. 8)
48. In his August 27, 2019 e-mail, Mr. DiIorio stated: "Good morning Ms. Grillo, NMLS clearly identifies you as the individual who marked our license suspended on 7/31 . . . Were you directed, coached, or advised, in any way, as to the content of your July 11th email? If so, by whom? If so, what direction, coaching, or advice was provided? Your email of July 11th contradicts the commissioner's [sic] directive in his June 7th letter, emailed to 1st Alliance by you, under signature of Carmine Costa. Were we expected to ignore the June 7th letter as a result of your July 11th email? Under what authority does an email from a Department Administrative Assistant replace, amend, or invalidate regulatory guidance provided by a commissioner, under the signature of the [sic] Carmine Costa? Were you directed to reject the surrender? If so, by whom? Were you directed to mark our license suspended? If so, by whom? These questions are straight forward [sic], requiring a few minutes of consideration. Considering the confirmed abuses perpetrated against our firm by a few Department officials, which to my knowledge, you have not been a participant; a straight forward [sic] and prompt response seems appropriate." (DOB Ex. 8)
49. On August 27, 2019, Attorney Seth Klein entered an appearance on behalf of Respondent (Hearing Officer Ex. 3)
50. On August 27, 2019, at the request of Respondent and with the concurrence of the Department, the September 24, 2019 hearing on the August 1, 2019 Notice was expedited by the Hearing Officer and rescheduled to September 3, 2019 (Hearing Officer Ex. 4)

51. A public administrative hearing on the August 1, 2019 Notice was held at the Department of Banking on September 3, 2019.
52. The Department and the Respondent filed briefs with the Hearing Office on September 17, 2019, and Respondent submitted a revised legal brief on September 18, 2019.

CONCLUSIONS OF LAW

Jurisdiction and Procedure

1. The Commissioner has jurisdiction over the licensing and regulation of mortgage lenders, correspondent lenders, brokers and loan originators pursuant to Part I of Chapter 668, Sections 36a-485 to 36a-534b, inclusive, of the Connecticut General Statutes.
2. Through the June 7, 2019 communication sent to Respondent on behalf of the Commissioner (DOB Ex. 3) and the June 7, 2019 NMLS online entry made by the department, Respondent received written notice of the date the bond cancellation would take effect, as required by Section 36a-492(c) of the Connecticut General Statutes.
3. Through the June 7, 2019 communication sent to Respondent on behalf of the Commissioner (DOB Ex. 3), Respondent was afforded an opportunity to demonstrate its compliance with the surety bond requirements in Section 36a-492 of the Connecticut General Statutes as required by Section 4-182(c) of the Connecticut General Statutes;
4. Following the automatic suspension of Respondent's license on July 31, 2019, the Commissioner, through the August 1, 2019 Notice, complied with Section 36a-492(c) of the Connecticut General Statutes by providing Respondent with notice of the automatic suspension, pending proceedings for revocation, and an opportunity for a hearing in accordance with Section 36a-51.
5. The August 1, 2019 Notice issued by the Commissioner against Respondent also comported with the requirements of Section 4-177(b) of Chapter 54 of the Connecticut General Statutes and with Section 36a-51 of the Connecticut General Statutes.
6. Respondent received notice of the hearing and an opportunity to present evidence, rebuttal evidence and argument on all issues of fact and law to be considered by the Commissioner.

Basis for Revocation of Mortgage Lender License

Surety Bond Requirement

7. Respondent is a "mortgage lender" as defined in Section 36a-485(19) of the Connecticut General Statutes. Section 36a-485(19) defines "mortgage lender" as "a person engaged in the business of making residential mortgage loans in such person's own name utilizing such person's own funds or by funding loans through a warehouse agreement, table funding agreement or similar agreement."
8. Section 36a-486(a) prohibits any person from engaging in the business of making residential mortgage loans in this state unless the person "has first obtained a license for its main office and

for each branch office where such business is conducted in accordance with . . . sections 36a-485 to 36a-498e, inclusive, 36a-534a and 36a-534b.”

9. Section 36a-488 of the Connecticut General Statutes sets forth the requirements for licensure as a mortgage lender in Connecticut. Among other things, Section 36a-488(b) requires that an initial application for a license be accompanied by “(2) a bond as required by section 36a-492”

Section 36a-492(a)(1) of the Connecticut General Statutes states that: “Each licensed mortgage lender . . . shall file with the commissioner a single surety bond, written by a surety authorized to write such bonds in this state, covering its main office and file an addendum to such bond to cover any branch office, in a penal sum determined in accordance with subsection (d) of this section, provided the penal sum of the bond for licensed mortgage lenders . . . shall not be less than one hundred thousand dollars”

Section 36a-492(a)(4) requires the principal on the bond to file quarterly reports on the System reflecting residential mortgage loan volume so as to confirm that the required penal sum is being maintained. Section 36a-2(70) defines “system” to mean “the Nationwide Mortgage Licensing System and Registry, NMLS, NMLSR or such other name or acronym as may be assigned to the multistate system developed by the Conference of State Bank Supervisors and the America Association of Residential Mortgage Regulators and owned and operated by the State Regulatory Registry, LLC, or any successor or affiliated entity, for the licensing and registration of persons in the mortgage and other financial services industries.”

Section 36a-492(c) provides that “The surety company shall have the right to cancel the bond at any time by a written notice to the principal stating the date cancellation shall take effect, provided the surety company notifies the commissioner in writing not less than thirty days prior to the effective date of cancellation . . . After receipt of such notification from the surety company, the commissioner shall give written notice to the principal of the date such bond cancellation shall take effect and such notice shall be deemed notice to each mortgage loan originator licensee sponsored by such principal.”

10. The Commissioner complied with Section 36a-492(c) by providing Respondent with written notice of the bond’s planned cancellation date.
11. Respondent’s surety bond was canceled effective July 31, 2019, and there is no evidence in the record that Respondent obtained a reinstated bond or a new bond.
12. Section 36a-492(c) states that “The commissioner *shall* automatically suspend the licenses of a mortgage lender . . . on such date [of bond cancellation]” (Emphasis supplied)
13. The language in the opening sentence of Section 36a-492(c) is mandatory and obligates the Commissioner to suspend a mortgage lender license once the surety bond has been canceled.
14. However, Section 36a-492(c) does provide that: “No automatic suspension or inactivation shall occur if, prior to the date that the bond cancellation shall take effect, (1) the principal submits a letter of reinstatement of the bond from the surety company or a new bond, [or] (2) the mortgage lender . . . has ceased business and has surrendered all licenses *in accordance with subsection (a) of section 36a-490*” (Emphasis added)

In its revised brief, Respondent argues that the June 7, 2019 letter (DOB Ex. 3) was “proposing a deal that would eliminate a key issue” and that, in referring to a reinstated bond, new bond or the

surrender procedure, Carmine Costa, acting on behalf of the Commissioner, was making a settlement offer to Respondent which Respondent accepted by expressing a desire to surrender its license.

The June 7, 2019 letter (DOB Ex. 3) was headed “Notice of Impending Automatic Suspension and Administrative Action” and cited Section 4-182(c) of the Connecticut General Statutes which provides that any license revocation must be preceded by an opportunity for the licensee to demonstrate its compliance with all legal requirements for the retention of the license. The subject line did not refer to proposed settlement terms.

In referring to a bond reinstatement, new bond or license surrender, the June 7, 2019 letter simply tracked the language in Section 36a-492(c) of the Connecticut General Statutes. Section 36a-492(c) specifically references the surrender protocol set forth in Section 36a-490. While the June 7, 2019 letter also referred to Section 36a-51(c) of the Connecticut General Statutes, that provision complements Section 36a-490 by further detailing the procedure involved in surrendering a license.

John DiIorio testified that he was “vaguely familiar” with Section 36a-490 (tr. 67) but did not read the provision in response to the June 7, 2019 letter (tr. 68). In addition, John DiIorio testified that he did not elicit clarification of the Department’s June 7, 2019 letter either from the Department or through legal counsel (tr. 76).

Simply tracking statutory provisions governing the automatic suspension of a license does not rise to the level of a settlement offer. Even if it did, surrender is not absolute, and the procedures set forth in the statute must still be followed.

Surrender

15. While the record contains evidence that Respondent communicated its plans to surrender its license through the System, no documentation was introduced (*e.g.*, a System screenshot) proving that a request to surrender the license was actually put through. However, since the August 1, 2019 Notice appears to acknowledge that a surrender request was made on July 30, 2019, the Hearing Officer will assume this to be the case.
16. A license surrender request, however, does not become effective automatically under the statute.

Section 36a-490(a)(1) of the Connecticut General Statutes provides that: “Any licensee who intends to permanently cease engaging in the business of making residential mortgage loans. at any time during a license period for any cause . . . shall file a request to surrender the license for each office at which the licensee intends to cease to do business, on the system, not later than fifteen days after the date of such cessation . . . *No surrender shall be effective until accepted by the commissioner.*” (Emphasis added)

17. Under Section 36a-490(a)(1), the request to surrender would not be effective “until accepted by the commissioner.” There is no evidence in the record that the Commissioner accepted such a request to surrender the Respondent’s license. If anything, the Commissioner’s August 1, 2019 issuance of the Notice of Automatic Suspension indicates that any surrender request was not accepted.
18. Respondent appears to argue that the June 7, 2019 letter (DOB Ex. 3) constituted an implied acceptance of license surrender by the Commissioner. However, as stated previously, all the June

7, 2019 letter did was to track Section 36a-492(c). Tracking a statutory provision – which covers items other than surrender – does not mean that the Commissioner has accepted Respondent’s surrender of its license.

19. Section 36a-51(c)(1) of the Connecticut General Statutes reiterates that “No surrender on the system shall be effective *until the request to surrender is accepted by the commissioner.*” (Emphasis supplied) Section 36a-51(c) also contains the caveat that “[i]f . . . prior to the filing of a request to surrender a license, the commissioner has instituted a proceeding to suspend, revoke or refuse to renew such license, *such surrender or request to surrender will not become effective except at such time and under such conditions as the commissioner by order determines.*” (Emphasis added) As seen previously, prior administrative proceedings were initiated by the Commissioner via the December 5
20. , 2018 Notice and the July 15, 2019 Notice Amendment. Therefore, any license surrender request could only become effective at such time and under such conditions as the Commissioner by order determines.
21. To date, the Commissioner has not entered an order rendering the license surrender effective, nor has the Commissioner entered an order conditioning the effectiveness of the license surrender. DOB Ex. 3 (the June 7, 2019 letter) was simply a compliance letter giving Respondent an opportunity to demonstrate its compliance with legal requirements necessary to maintain its license. DOB Ex. 3 was not a formal order of the Commissioner granting effectiveness to, or conditioning, any license surrender request.
22. The Commissioner finds that the facts and circumstances involved in this case do not warrant accepting the surrender of the Respondent’s license.

Relief Requested

23. The August 1, 2019 Notice seeks revocation of Respondent’s mortgage lender license based on Section 36a-494 which permits the Commissioner to take such action “for any reason which would be sufficient grounds for the commissioner to deny an application for such license.” Such grounds include the failure to maintain the surety bond required by Section 36a-492. Section 36a-489(a)(1)(D) precludes the Commissioner from issuing an initial license unless the Commissioner finds that the applicant has met the surety bond requirement in Section 36a-492 of the Connecticut General Statutes.
24. Respondent’s failure to maintain the surety bond required by law supports the revocation of Respondent’s mortgage lender license in Connecticut pursuant to Section 36a-494 of the Connecticut General Statutes. While the Department requests that the implementation of any revocation order be stayed pending resolution of the administrative proceeding involving the December 5, 2018 Notice and the July 15, 2019 Notice Amendment, doing so would essentially mean that Respondent’s license would remain active, even though Respondent has failed to satisfy the bonding requirement to which other industry members must adhere.
25. With a decision being rendered in this revocation proceeding, under Section 36a-492(c) of the Connecticut General Statutes, the automatic suspension previously in effect shall expire of its own accord upon the entry of the following Order.

ORDER

Having read the record, I hereby **ORDER**, pursuant to Sections 36a-494(a)(1) and 36a-51(a) of the Connecticut General Statutes that:

1. The license of 1st Alliance Lending, LLC to act as a mortgage lender in Connecticut from 111 Founders Plaza, Suite 1300, East Hartford, Connecticut, be and is hereby **REVOKED**;
2. This Order shall become effective when mailed.

So ordered at Hartford, Connecticut
this 4th day of October, 2019.

_____/s/_____
Jorge L. Perez
Banking Commissioner

CERTIFICATION

I hereby certify that on this 4th day of October 2019, I caused to be mailed by certified mail, return receipt requested, the foregoing Findings of Fact, Conclusions of Law and Order in the matter of 1st Alliance Lending, LLC to Respondent’s counsel of record, to wit: Ross H. Garber, Esq., The Garber Group LLC, 1300 I Street, N.W., Suite 400E, Washington, D.C. 20005, certified mail no. 7014 2120 0000 3701 0064; Ross H. Garber, Esq., The Garber Group LLC, 100 Pearl Street - 14th Floor, Hartford, Connecticut 06103, certified mail no. 7014 2120 0000 3701 0071; and Seth R. Klein, Esq., Izard Kindall & Raabe LLP, 29 South Main Street - Suite 305, West Hartford, Connecticut 06107, certified mail no. 7014 2120 0000 3701 0088. I further certify that on this 4th day of October 2019, I hand delivered a copy of the foregoing Findings of Fact, Conclusions of Law and Order to Stacey Serrano, Esq. and Jeffrey T. Schuyler, Esq., counsel for the Department, State of Connecticut Department of Banking, Consumer Credit Division, 260 Constitution Plaza, Hartford, Connecticut 06103, and e-mailed a copy of the foregoing Findings of Fact, Conclusions of Law and Order to Attorneys Garber, Klein, Serrano and Schuyler.

_____/s/_____
W.C. Hall
Paralegal