

**BEFORE THE DEPARTMENT OF BANKING AND FINANCE
STATE OF GEORGIA**

CORNERSTONE MORTGAGE COMPANY dba
BRAYDEN CAPITAL HOME LOANS

Petitioner

vs.

GEORGIA DEPARTMENT OF
BANKING AND FINANCE

Respondent

MARCUS LAIRD

Petitioner

vs.

GEORGIA DEPARTMENT OF
BANKING AND FINANCE

Respondent

JUDITH BELANGER

Petitioner

vs.

GEORGIA DEPARTMENT OF
BANKING AND FINANCE

Respondent

FILED

JUL 21 2011

GEORGIA DEPARTMENT OF
BANKING AND FINANCE

DOCKET NO. DBF-MBL-11-008

CONSENT ORDER

On April 7, 2011, the Georgia Department of Banking and Finance (“Department”) issued a proposed Notice of Intent to Revoke Annual License (“Notice”) to Cornerstone Mortgage Company d/b/a Brayden Capital Home Loans (“Cornerstone Mortgage”), mortgage lender license number 21877, Nationwide Mortgage Licensing System (“NMLS”) number 2258, for violations of the Georgia Residential Mortgage Act, O.C.G.A. § 7-1-1000 *et seq.* (“GRMA”). Also on this same day, proposed Orders to Cease and Desist (“Orders”) were issued to Marcus Laird, Cornerstone Mortgage chief executive officer, and Judith Belanger, Cornerstone Mortgage chief operating officer, for violations of GRMA. The Notice and Orders alleged the following violations: making false statements or misrepresenting material facts to lenders in violation of O.C.G.A. § 7-1-1013(1), (2) and (6) and, in violation of O.C.G.A. § 7-1-1002, transacting business with and directly or indirectly controlling a person who is unlicensed and unregistered, not exempt from licensing and registration requirements.

The Department received timely requests for hearings from Cornerstone Mortgage, Marcus Laird and Judith Belanger.

The parties have reached a settlement of the issues raised by the proposed Notice of Intent to Revoke Annual License and the proposed Orders to Cease and Desist and have agreed to a resolution of those matters in their entirety.

This Consent Order does not constitute an admission of liability or fault on the part of Cornerstone Mortgage, Marcus Laird or Judith Belanger.

Accordingly, it is hereby ORDERED as follows:

1. Cornerstone Mortgage shall strictly comply with the terms of this Consent Order, the Georgia Fair Lending Act, O.C.G.A. § 7-6A-1 *et seq.*, and GRMA, as well as the Department's Rules enacted pursuant thereto. Failure to do so may result in additional administrative action being brought against Cornerstone Mortgage and any of its owners and officers.

a. Cornerstone Mortgage shall develop and implement policies, procedures, and practices that will ensure compliance with all applicable Georgia laws and regulations. Cornerstone Mortgage shall adopt best practices, including but not limited to ensuring that its business operations and employees are subject to an appropriate level of supervision at all times. For the purposes of this Consent Order, "supervision" shall mean daily management and oversight that is reasonably designed to result in compliance with GRMA, and the rules of the Department by branch managers, licensed mortgage loan originators and other non-licensed individuals in the employ of Cornerstone Mortgage.

b. Cornerstone Mortgage shall, within ten (10) days after knowledge of the event, report in writing to the Department:

- i. any knowledge or discovery of an act prohibited by O.C.G.A. § 7-1-1013;
- ii. the discharge of any employee for dishonest or fraudulent acts; and,
- iii. any administrative, civil, or criminal action initiated against Cornerstone Mortgage or any of its control persons by any government entity.

2. Cornerstone Mortgage shall adopt best practices for Quality Control and Fraud Prevention and Detection including the prevention and detection of loan origination by persons that do not have a current mortgage loan originator license. For purposes of this Consent Order, "Quality Control" shall mean a system for

ensuring proper loan origination by licensed mortgage loan originators, especially by periodic, random inspection, to include but not limited to:

a. Cornerstone Mortgage shall maintain a record of the license numbers or exemption status of any loan originator, broker, lender or processor with whom Cornerstone Mortgage conducts business that falls within the scope of GRMA. This includes verifying the status of mortgage loan originator, broker and lender licenses as well as the entry of any final administrative actions on the Department's website (www.dbf.georgia.gov) and the Department's Mortgage Summary publication on a monthly basis.

b. Cornerstone Mortgage shall expressly state in written policies and procedures, the assigned duties of both licensed and non-licensed employees. Cornerstone Mortgage shall not permit any employee or agent to perform loan origination activities for a loan required to be performed by a licensed mortgage loan originator pursuant to GRMA.

3. Cornerstone Mortgage shall implement, within one (1) year of the entry of this Consent Order, a new hire and continuing education employee training program regarding what constitutes mortgage fraud and how to detect and avoid its commission, including but not limited to: the commission of unlicensed mortgage loan origination and aiding and abetting unlicensed mortgage loan origination activity.

4. Within sixty (60) days of the effective date of this Consent Order, Cornerstone Mortgage shall provide to the Department a written progress report detailing the actions that have been and will be undertaken to comply with the terms of this Consent Order.

5. Cornerstone Mortgage, Marcus Laird and Judith Belanger shall fully cooperate in any regulatory, administrative, civil, or criminal investigation or regulatory, administrative, civil, or criminal action initiated by a state or federal entity against any employee, agent or other individual by whom residential mortgage activities were performed by or through Cornerstone Mortgage. The cooperation of Cornerstone Mortgage, Marcus Laird and Judith Belanger shall include, but not be limited to, providing the state or federal entity with requested documents, being interviewed by employees of the state or federal entity, and providing sworn written and verbal testimony. This paragraph has been included in this Consent

Order at the Department's request; Cornerstone Mortgage, Marcus Laird or Judith Belanger have made no representation that they can provide any specific information, nor have Cornerstone Mortgage, Marcus Laird or Judith Belanger offered to provide any specific information as an inducement for this agreement.

6. All written notifications and requests for approval required by this Consent Order shall be mailed to:

Georgia Department of Banking and Finance
Attention: Director of Non-Depository Financial Institutions Division
2990 Brandywine Road, Suite 200
Atlanta, Georgia 30341

7. The Department shall rescind the proposed Order to Cease and Desist issued to Marcus Laird after the entry of this Consent Order.

8. The Department shall rescind the proposed Order to Cease and Desist issued to Judith Belanger after the entry of this Consent Order.

9. The Department shall rescind the Notice of Intent to Revoke issued to Cornerstone Mortgage after entry of this Consent Order.

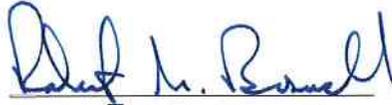
10. Cornerstone Mortgage shall remit to the Department \$88,000.00 in full and final satisfaction of any and all monetary claims that have or could have been brought by this agency in connection with the violations for which the proposed Notice of Intent to Revoke Annual License dated April 7, 2011, was issued. The amount shall be paid in certified funds and shall be remitted contemporaneously with the entry of this Order.

11. Cornerstone Mortgage shall contribute \$2,000.00 to the State Regulatory Registry, LLC, a wholly-owned subsidiary of the Conference of State Bank Supervisors ("CSBS") to support the NMLS, jointly sponsored by CSBS and the American Association of Residential Mortgage Regulators. This contribution shall be paid in certified funds, be made payable to the State Regulatory Registry, LLC, and shall be remitted contemporaneously with the entry of this Consent Order.

12. The terms of this Order may be enforced by the Department pursuant to O.C.G.A. §§ 7-1-1017(g) and 7-1-1018(b).

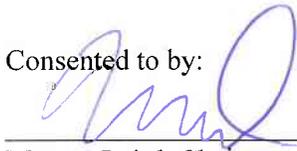
13. The Consent Order shall be regarded as a public document that the Department may publish in the same manner as a final order of this agency.

SO ORDERED AND ENTERED, this 21st day of July 2011.



ROBERT M. BRASWELL
Commissioner
Georgia Department of Banking and Finance

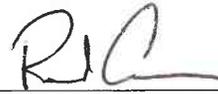
Consented to by:



Date 7-8-11

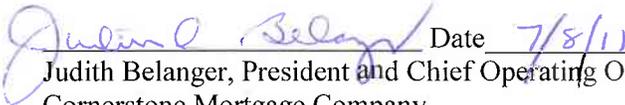
Marcus Laird, Chairman and Chief Executive Officer
Cornerstone Mortgage Company
dba Brayden Capital Home Loans
1177 West Loop, Suite 200
Houston, Texas 77027

In his individual capacity and as chairman and chief executive officer of Cornerstone Mortgage Company



Date 07/21/11

Rod Carnes, Deputy Commissioner
Department of Banking and Finance
2990 Brandywine Road, Suite 200
Atlanta, Georgia 30341

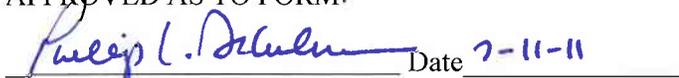


Date 7/8/11

Judith Belanger, President and Chief Operating Officer
Cornerstone Mortgage Company
dba Brayden Capital Home Loans
1177 West Loop, Suite 200
Houston, Texas 77027

In her individual capacity and as president and chief operating officer of Cornerstone Mortgage Company

APPROVED AS TO FORM:



Date 7-11-11

Phillip L. Schulman
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Attorneys for Petitioners