



Chester A. McPherson
Acting Commissioner

IN THE MATTER OF:)
)
)
QUALITY FIRST FINANCE CORPORATION)
d/b/a QUALITY FIRST MORTGAGE)
)
1880 Howard Avenue)
Suite 301A)
Vienna, Virginia 22182)
)

ADMINISTRATIVE ORDER
ORDER NO: BB-CA-07-15

COMPLIANCE AGREEMENT

I. INTRODUCTION

This Compliance Agreement (“CA”) is entered into between the District of Columbia Department of Insurance, Securities and Banking (“DISB or Department”) and Quality First Finance Corporation d/b/a Quality First Mortgage (“Quality First”), individually referred to herein as the “Party” and collectively referred to herein as the “Parties.”

DISB’s mission is to protect District of Columbia residents from financial fraud and abuse by providing fair and efficient supervision of financial service entities, as well as to contribute to a strong business environment and attract reputable businesses to the District of Columbia through fair and equitable financial services regulation. One of DISB’s primary goals is to ensure that residents of the District of Columbia have access to a wide choice of banking products and services and that they are treated fairly by the companies and individuals that provide these services. One of the ways that the Banking Bureau of DISB ensures that residents of the District of Columbia are treated fairly by companies and individuals that provide these services is to conduct financial examinations.

II. SUMMARY

On June 20, 2014, DISB conducted a financial examination of Quality First to determine whether Quality First compiled with the requirements of D.C. Official Code § 26-1112 and Subtitle C of Title 26 of the District of Columbia Municipal Regulations (DCMR), §

1107. The examination was completed on August 21, 2014. An exit interview was held on October 29, 2014. The final examination report was transmitted to Quality First on October 30, 2014.

During the course of the examination, DISB found that Quality First had submitted and posted unaudited financial statements in the National Mortgage Licensing System (NMLS) and that these statements contained different and conflicting information for the year 2013. That different and conflicting information was not adequately explained by Quality First at the exit conference on October 29, 2014. As a result, Quality First was advised by DISB to submit audited financial statements for calendar year 2013 or year to date.

On January 21, 2015, the President of Quality First, David Ferris, submitted audited financial statements that were prepared by Turner, Leins & Gold for the period ending November 17, 2014. The audited financial statements were reviewed and did not demonstrate that Quality First met the minimum capital requirement of not less than \$25,000, as set forth in 26-C DCMR § 1107.2.

Pursuant to 26C DCMR § 1107.3, DISB's Acting Commissioner has determined that, given the financial history and the financial condition of Quality First (as demonstrated during the latest examination and its response to the request for additional documentation), Quality First must establish and maintain capital in an amount that is greater than the minimum amount set forth in 26C DCMR § 1107.2.

III. OBJECTIVES

Pursuant to the applicable authorities and in furtherance of the shared goal of the Parties - that is, that Quality First continues to lawfully operate as a Mortgage Licensee in the District of Columbia (License No. MLB 175847), the Parties do hereby agree to the following:

RESPONSIBILITIES OF QUALITY FIRST

Quality First shall:

- a. Shall maintain a capital requirement of thirty-five thousand dollars (\$35,000) per licensed location in the District of Columbia. Said capital requirement shall be completed no later than June 23, 2015.

IV. FAILURE TO COMPLY

If Quality First fails to comply with: (1) any of the terms and conditions of this CA; (2) any law that applies to it in the District of Columbia; (3) or any District of Columbia regulation, the Department may take any and all appropriate enforcement actions in accordance with applicable law. Such actions may include, but are not limited to, an order to cease and desist, suspension or revocation of any mortgage related license,

monetary sanctions and/or a referral to either the Office of the United States Attorney or to the Office of the Attorney General for the District of Columbia for possible civil or criminal enforcement action.

V. DURATION OF COMPLIANCE AGREEMENT

The term of this CA shall be from March 23, 2015 to June 23, 2015, unless Quality First fails to fulfill any of the terms in Section III. above.

VI. AUTHORITY FOR COMPLIANCE AGREEMENT

26-C DCMR § 1107.4 (c) and D.C. Official Code § 26-1114 (d)(8).

VII. MODIFICATIONS

The terms and conditions of this CA may be modified only upon prior written agreement of the Parties.

VIII. NOTICE

The following individuals are the contact points for each party under this CA:

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IX. FULL AGREEMENT AND MERGER

The terms and conditions of this CA constitute the full and complete agreement between the Parties. No other verbal or written agreement shall, in any way, vary or alter any

