

Financial, LLC, mortgage license number 17010, for violations of the Georgia Residential Mortgage Act, O.C.G.A. § 7-1-1000 *et seq.* (“GRMA”), including employing a person against whom a final cease and desist order was issued within the three preceding years for a O.C.G.A. § 7-1-1013 offense in violation of O.C.G.A. § 7-1-1004(i)(2006); making false statements or misrepresenting material facts to lenders in violation of O.C.G.A. § 7-1-1013(1), (2) and (6)¹; and transacting business in violation of O.C.G.A. § 7-1-1002(a) and (b) with persons who are unlicensed and unregistered, not exempt from licensing and registrations requirements and who are not employees of a mortgage broker or lender. Further, in violation of O.C.G.A. § 7-1-1002(c), the Notice of Intent to Revoke Annual License provided that G Squared Financial, LLC directly or indirectly controlled persons who violated O.C.G.A. § 7-1-1002(a) and (b).

On this same day, the Department issued proposed Orders to Cease and Desist to Ron Gabbai and Ira Graiser, co-managing members of G Squared Financial, LLC, for employing a person against whom a final cease and desist order was issued within the three preceding years for a O.C.G.A. § 7-1-1013 offense in violation of O.C.G.A. § 7-1-1004(i)(2006); making false statements or misrepresenting material facts to lenders in violation of O.C.G.A. § 7-1-1013(1), (2) and (6); and transacting business with persons who are unlicensed and unregistered, not exempt from licensing and registrations requirements and who are not employees of a mortgage broker or lender in violation of O.C.G.A. § 7-1-1002(a) and (b). Further, in violation of O.C.G.A. § 7-1-1002(c), the proposed Orders to Cease and Desist provided that Ron Gabbai and Ira Graiser directly or indirectly controlled persons who violated O.C.G.A. § 7-1-1002(a) and (b).

¹ The misrepresentations at issue were not made individually by either Ira Graiser or Ron Gabbai. Rather, they were made by an individual formerly in their employ and the employ of G Squared Financial, LLC.

In correspondence dated December 30, 2009, hearings to contest the allegations set forth in the Notice of Intent to Revoke Annual License and the proposed Orders to Cease and Desist were requested in a timely manner by counsel on behalf of G Squared Financial, LLC, Ron Gabbai and Ira Graiser.

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

Accordingly, it is hereby ORDERED as follows:

1. As required by O.C.G.A. § 7-1-1004(o) and any successor provision(s) of law, G Squared Financial, LLC shall check the Department's website at <https://dbfweb.dbf.state.ga.us/MBAdmActions.html> to determine whether a candidate being considered for employment has had a final administrative action issued by the Department that makes him or her ineligible for hire. For the period of time that a final administrative action issued by the Department renders a candidate for employment ineligible for hire, G Squared Financial, LLC shall not directly or indirectly employ him or her in any capacity. This prohibition shall preclude a person from being employed by G Squared Financial, LLC to whom a final administrative action was issued for 1) committing a prohibited act set forth in O.C.G.A. § 7-1-1013; 2) working in the residential mortgage industry despite being a convicted felon; 3) conducting residential mortgage business without a required license or pursuant to a lawful exemption; or 4) having one's mortgage broker or lender's license revoked.

2. Upon the date of entry of this Consent Order by the Department and at least once beginning every six months thereafter, G Squared Financial, LLC shall check

the Department's website to determine whether any of its employees have been the recipients of final administrative actions since their initial dates of hire that make them ineligible for continued employment. Appropriate action shall be taken immediately by G Squared Financial, LLC against any employee to whom final administrative action prohibiting or limiting employment has been issued by the Department.

3. In addition to consulting the Department's website to determine whether a prospective or existing employee of G Squared Financial, LLC is eligible for employment, Ron Gabbai and/or Ira Graiser shall verify through the Nationwide Mortgage Licensing System and Registry at <http://www.nmlsconsumeraccess.org/> that any individual in the employ of G Squared Financial, LLC or utilized by it to perform any residential mortgage activity holds the appropriate license to do so. G Squared Financial, LLC shall not directly or indirectly transact business in the state of Georgia with any unlicensed "person" as defined by the Georgia Residential Mortgage Act unless that person is expressly exempt from the licensing or registration requirements pursuant to O.C.G.A. § 7-1-1001.

4. G Squared Financial, LLC shall adopt best practices for Quality Control and Fraud Prevention and Detection. For purposes of this Consent Order, "Quality Control" shall mean a system for ensuring the maintenance of proper loan origination and processing standards, including, but not limited to the following:

(a) Ron Gabbai, Ira Graiser, or a designee whose name and title shall be provided to the Department in writing for its approval within 5 business days after the entry of this Consent Order, shall personally oversee and supervise the handling of all Georgia residential mortgage loans originated and/or processed through G Squared

Financial, LLC. Neither Ron Gabbai nor Ira Graiser shall provide this oversight and supervision for any Georgia residential mortgage loan that he originates and/or processes. Failure of at least one of the co-managing members or the designee of record with the Department to provide this oversight and supervision shall be attributable to both Ron Gabbai and Ira Graiser individually as well as G Squared Financial, LLC. After any initial designation of a supervising individual may be made and approved by the Department, G Squared subsequently may appoint successors to serve in this capacity as long as they are approved in advance by the Department before executing any of the responsibilities called for by this paragraph.

(b) Ron Gabbai and/or Ira Graiser shall review G Squared Financial, LLC's mortgage loan transaction journal at least once each month in order to maintain personal knowledge of new and pending loan transactions. Failure of at least one of the co-managing members to conduct this mortgage loan transaction journal review shall be attributable to both Ron Gabbai and Ira Graiser individually as well as G Squared Financial, LLC.

(c) G Squared Financial, LLC shall establish and implement for its members and employees a training program, the terms of which shall be submitted to the Department for its review within ninety days of the entry of this Consent Order. This training program shall provide instruction on recognizing common mortgage fraud schemes; identifying red flags; complying with appraisal regulation; understanding regulations pertaining to real estate lending standards; complying with proper closing procedures; understanding appraisal techniques; and performing proper verifications of employment, income, rent, and deposit(s). In the event that the written training program

provided is not acceptable to the Department, G Squared Financial, LLC will submit a revised written training program addressing the Department's stated concerns within fifteen days of receipt of notification of same, which process shall continue until G Squared Financial, LLC ultimately submits a written training program that fully satisfies the Department's concerns.

5. G Squared Financial, LLC shall pay a fine in the amount of \$6,000.00 to the Department in full and final satisfaction of any and all monetary claims that have or could have been brought by the Department in connection with the violations on which the Notice of Intent to Revoke Annual License dated December 15, 2009, are based. The fine shall be paid in certified funds and shall be remitted contemporaneously with the entry of this Order.

6. G Squared Financial, LLC shall contribute \$1,000.00 to the State Regulatory Registry, LLC, a wholly-owned subsidiary of the Conference of State Bank Supervisors ("CSBS") that supports the Nationwide Mortgage Licensing System and Registry. This contribution shall be paid in certified funds, be made payable to the "State Regulatory Registry, LLC" and shall be remitted to the Department contemporaneously with the entry of this Consent Order.

7. G Squared Financial, LLC, Ron Gabbai and Ira Graiser will 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 further administrative action being brought against G Squared Financial, LLC, Ron Gabbai and/or Ira Graiser.

8. G Squared Financial, LLC withdraws its request for a hearing to contest

the allegations raised in the Notice of Intent to Revoke Annual License issued by the Department on December 15, 2009.

9. The Department shall withdraw the Notice of Intent to Revoke Annual License issued to G Squared Financial, LLC after entry of this Consent Order.

10. Ron Gabbai withdraws his request for a hearing to contest the allegations raised in proposed Order to Cease and Desist issued by the Department on December 15, 2009.

11. The Department shall withdraw the proposed Order to Cease and Desist issued to Ron Gabbai after the entry of this Consent Order.

12. Ira Graiser withdraws his request for a hearing to contest the allegations raised in proposed Order to Cease and Desist issued by the Department on December 15, 2009.

13. The Department shall withdraw the proposed Order to Cease and Desist issued to Ira Graiser after the entry of this Consent Order.

14. Within five business days of the date of entry of this Consent Order, G Squared Financial, LLC, Ron Gabbai, and Ira Graiser shall update the entries on their respective MU-1, MU-2 and MU-4 filings on the Nationwide Mortgage Licensing System and Registry to reflect the occurrence of this final administrative action against them.

15. The entry of this Consent Order will resolve and finally conclude the allegations set forth in the Notice of Intent to Revoke Annual License issued to G Squared Financial, LLC, as well as the individual proposed Orders to Cease and Desist issued to Ron Gabbai and Ira Graiser.

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

17. 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 29th day of June 2011.



ROBERT M. BRASWELL
Commissioner
Georgia Department of Banking and Finance

Consented to by:

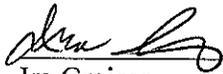


Rod Carnes
Deputy Commissioner
Non-Depository Financial Institutions
GA Department of Banking and Finance
2990 Brandywine Road, Suite 200
Atlanta, Georgia 30341



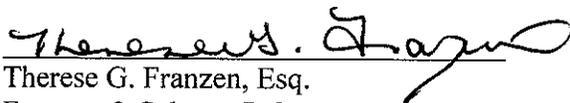
Ron Gabbat
In his individual capacity and
as a managing member of
G Squared Financial, LLC
690 Village Trace NE
Building 21, Suite A
Marietta, Georgia 30067

(Signatures Continued on the Next Page.)



Ira Graiser

In his individual capacity and
as a managing member of
G Squared Financial, LLC
690 Village Trace NE
Building 21, Suite A
Marietta, Georgia 30067



Therese G. Franzen, Esq.

Franzen & Salzano P.C.

40 Technology Parkway, Suite 202

Norcross, Georgia 30092

Attorney for G Squared Financial, LLC,

Ron Gabbai and Ira Graiser