COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2010-AH-1095
ADMINISTRATIVE ACTION NO. 11-PPC-0021

DEPARTMENT OF FINANCIAL INSTITUTIONS — COMPLAINANT

vs.

HIP NATIONAL LLC — RESPONDENT

AGREED ORDER OF SETTLEMENT

1. The Department of Financial Institutions ("DFI") is responsible for regulating and licensing mortgage loan brokers, mortgage loan companies, mortgage loan originators, and mortgage loan processors in accordance with the provisions set forth in KRS Chapter 286.8, the Mortgage Loan Company and Mortgage Loan Broker Act (the "Act").

2. The Respondent, HIP National LLC ("HIP") is not authorized to do business in Kentucky as a licensed mortgage loan company or broker pursuant to the Act.

3. During an investigation, it was discovered that HIP engaged in the mortgage lending process relative to Kentucky residential real property without being licensed or exempted in violation of KRS §286.8-030 which prohibits an entity from transacting business unless that individual is properly licensed or exempted in accordance with the Act.

4. The DFI possesses a range of administrative authority in addressing violations of the Act, including license revocation or denial, the imposition of fines in an amount up to $25,000 per violation. *See* KRS §286.8-046; §286.8-090.

5. In the interest of economically and efficiently resolving the violation(s) described herein, DFI and HIP agree that HIP shall pay a fine for the loans made from 2006 through 2008 as follows:

a. HIP agrees to a fine assessment in the amount of five thousand dollars ($5,000.00) for the violation(s) described herein;

b. HIP agrees to and shall pay the fine assessed herein, which shall be in the form of a certified check or money order made payable to "Kentucky State Treasurer" and mailed to the Department of Financial Institutions, Attn: Shaun Orme, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601, in the following manner: (i) the first payment of one thousand dollars ($1,000.00) shall be due on the date Respondent signs the Agreed Order and returns it to DFI. The remaining amount shall be paid in increments of eight hundred dollars ($800.00) each and shall paid as stated below;

c. The second installment payment shall be due thirty (30) days from the date the Agreed Order is executed by the Commissioner of DFI. The third installment payment shall be due sixty (60) days from the date the Agreed Order is executed by the Commissioner of DFI. The fourth installment payment shall be due ninety (90) days from the date the Agreed Order is executed by the Commissioner of DFI. The fifth installment payment shall be due one hundred twenty (120) days from the date the Agreed Order is executed by the Commissioner of DFI. The sixth installment payment shall be due one hundred fifty (150) days from the date the Agreed Order is executed by the Commissioner of DFI.

d. HIP shall not apply to DFI for any license or registration required under the Act to practice or participate in the mortgage industry in this state at any time in the future after entry of this Agreed Order.

e. DFI agrees to dismiss the Administrative Complaint with prejudice.

6. The parties agree and understand that a violation of this Agreed Order shall constitute a separate violation and shall not be construed as resolved by this Agreed Order. A violation of this Agreed Order may include, but not be limited to a civil penalty and revocation of registration with the Department.

7. HIP waives his right to demand a hearing at which he would be entitled to legal representation, to confront and cross examine witnesses, and to present evidence on his own behalf, or to otherwise appeal or set aside this Order.

8. HIP consents to and acknowledges the jurisdiction of DFI over this matter and that this Agreed Order is a matter of public record and may be disseminated as such.

9. In consideration of execution of this Agreed Order, HIP for itself, and for its successors and assigns, hereby releases and forever discharges the Commonwealth of Kentucky, DFI, Office of Legal Services, and each of their members, agents, and employees in their individual capacities, from any and all manner of actions, causes of action, suits, debts, judgments, executions, claims and demands whatsoever, known and unknown, in law or equity, that HIP ever had, now has, may have or claim to have against any or all of the persons or entities named in this paragraph arising out of or by reason of this investigation, this disciplinary action, this settlement or its administration.

10. By signing below, the parties acknowledge they have read the foregoing Agreed Order, know and fully understand its contents, and that they are authorized to enter into and execute this Agreed Order and legally bind their respective parties.

11. This Agreed Order will act as a Final Order and settlement of Administrative Action No. 11-PPC-0021.

IT IS SO ORDERED on this the 24th day of August, 2011.

CHARLES A. VICE
COMMISSIONER

Consented to:

This 22nd day of August, 2011.

Nicole Biddle
Director, Non-Depository Division
Department of Financial Institutions

This 16 day of August, 2011.

Michael Butler
HIP National LLC

ACKNOWLEDGEMENT

STATE OF _____)
)
COUNTY OF _____)

On this the ____ day of _____, 2011, before me, the undersigned, Michael Butler, for HIP National LLC, did personally appear and acknowledge himself and that he, being authorized to do so, entered into and executed the foregoing instrument for the purposes therein contained.

In witness whereof I hereunto set my hand.

My Commission Expires: _____

_____
Notary Public

Certificate of Service

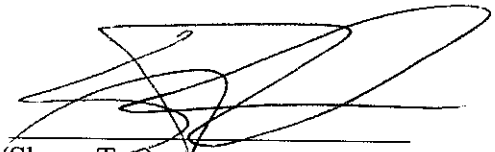
I, Shaun T. Orme, hereby certify that a copy of the foregoing **Agreed Order** was sent on this the 25 day of August, 2011, by certified mail, return receipt requested, to the following:

By Hand Deliver to:

Hon. Stuart W. Cobb
Division of Administrative Hearings
Office of the Attorney General
1024 Capital Center Drive
Frankfort, Kentucky 40601

by certified mail, postage prepaid, to:

Mark D. Chandler, Esquire
Law Offices
600 West Main Street
Suite 300
Louisville, Kentucky 40202



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502-573-2183 (facsimile)

Counsel for Complainant