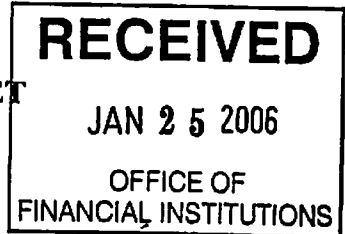


COMMONWEALTH OF KENTUCKY  
ENVIRONMENTAL AND PUBLIC PROTECTION CABINET  
OFFICE OF FINANCIAL INSTITUTIONS  
AGENCY CASE NO. 2006-AH- 001



IN THE MATTER OF:  
ABC MORTGAGE AND FINANCIAL SERVICES, INC.

**SETTLEMENT AGREEMENT**

**BACKGROUND AND FACTUAL FINDINGS**

1. ABC Mortgage and Financial Services, Inc. ("ABC") is licensed by the Office of Financial Institutions ("OFI") to conduct business as a mortgage loan company. ABC's principal office is at 562 North Laurel Road, London, Kentucky 40741 and its mortgage loan broker license number is 1011-B.

2. On September 12, 2005, an examination was conducted into the condition, workings and affairs of ABC in order to determine whether there were any violations of law or any unauthorized unsafe practices or any failure to keep or have correct any required books and records.

3. In the course of that examination it was discovered that ABC had an individual originating mortgage loans on Kentucky properties without being registered with OFI.

4. As of July 1, 2004, no mortgage loan broker and no loan officer may originate mortgage loans in Kentucky unless they are registered with OFI and have been issued a certificate of registration.

5. ABC's employment of unregistered mortgage loan officer to originate loans on Kentucky properties was a violation of KRS 294.255(1).

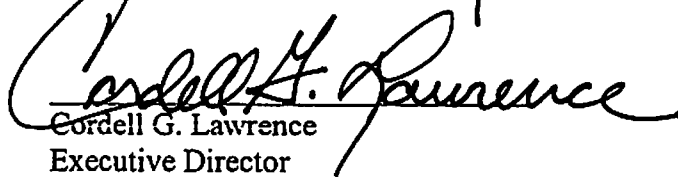
**AGREEMENT AND ORDER**

The Office of Financial Institutions and ABC Mortgage and Financial Services, Inc., in the interest of economically and efficiently resolving the issues raised in the foregoing Background and Factual Findings, agree as follows:

1. ABC Mortgage and Financial Services, Inc. agrees to pay a fine in the amount of one thousand (\$1,000) dollars, which shall be made payable to "Kentucky State Treasurer" and mailed to the Office of Financial Institutions, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601.

2. In regard to this matter, ABC Mortgage and Financial Services, Inc. waives its right to demand a hearing, at which ABC Mortgage and Financial Services, Inc. would be entitled to legal representation, to confront and cross examine witnesses for the Office of Financial Institutions, and to present evidence on its own behalf. Further, ABC Mortgage and Financial Services, Inc. consents to and acknowledges the jurisdiction of the Office of Financial Institutions over this matter and that this Agreement is a matter of public record and may be disseminated as such.

IT IS SO ORDERED on this the 25 day of January, 2006.

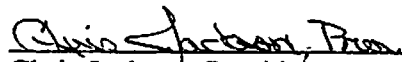
  
Cordell G. Lawrence  
Executive Director

Consented to:

This 25<sup>th</sup> day of January, 2006

This 25<sup>th</sup> day of January, 2006

  
\_\_\_\_\_  
David Coyle, Director  
Division of Financial Institutions  
Office of Financial Institutions

  
\_\_\_\_\_  
Chris Jackson, President  
ABC Mortgage and Financial  
Services, Inc.