

**COMMONWEALTH OF KENTUCKY
ENVIRONMENTAL AND PUBLIC PROTECTION CABINET
OFFICE OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2007-AH-94
ADMINISTRATIVE ACTION NO. 07-PPC-0347**

OFFICE OF FINANCIAL INSTITUTIONS

COMPLAINANT

VS.

AMERICA ONE FINANCE, INC.
13555 SOUTHEAST 36TH STREET, SUITE 340
BELLEVUE, WASHINGTON 98006

RESPONDENT

SETTLEMENT AGREEMENT

BACKGROUND AND FACTUAL FINDINGS

1. The Kentucky Office of Financial Institutions (“OFI”) is responsible for regulating, registering, and licensing mortgage loan companies, mortgage loan brokers and loan officers/originators in accordance with the provisions of KRS Chapter 286.8.
2. America One Finance, Inc. was authorized to transact business as a mortgage loan broker or mortgage loan company in Kentucky under a KRS 286.8-020(2)(a) claim of exemption (hereinafter referred to as “HUD-exemption”).
3. In March 2007, OFI filed an Administrative Complaint against America One Finance, Inc. to revoke its HUD-exemption due to the fact that America One Finance, Inc. had failed to fund or broker a minimum of twelve (12) FHA-insured loans on Kentucky properties in 2006 in compliance with KRS 286.8-020(4).
4. On March 27, 2007, America One Finance, Inc. answered the Administrative Complaint. In its answer, America One Finance, Inc. admitted its noncompliance with KRS 286.8-020(4) for 2006, but requested that it maintain its HUD-exemption during the

period of time needed to submit an application and become licensed as a mortgage loan broker pursuant to Chapter 286.8 of the Kentucky Revised Statutes.

5. America One Finance, Inc. subsequently submitted an application to become licensed as a mortgage loan broker in Kentucky.

6. On April 25, 2007, OFI simultaneously sent a Final Order Revoking America One Finance, Inc.'s HUD-exemption and denying its application to become licensed as a mortgage loan broker in Kentucky. The Final Order Revoking America One Finance, Inc.'s HUD-exemption did not become effective, however, due to lack of service.

7. In its denial letter, OFI stated that it was denying America One Finance, Inc. a license to transact business in Kentucky as a mortgage loan broker due to the fact that America One Finance, Inc. had disclosed several adverse regulatory actions in its application.

8. On May 14, 2007, America One Finance, Inc. expressed its intent to appeal OFI's denial of their application to become licensed as a mortgage loan broker in Kentucky.

9. On August 20, 2007, OFI issued an Order to Cease and Desist against America One Finance, Inc. for operating an unlicensed location in Louisville, Kentucky.

10. On August 24, 2007, OFI sent a Notice of Administrative Hearing to counsel for America One Finance, Inc. and a hearing was subsequently set in the matter.

11. On January 8, 2008, the parties jointly moved to continue the hearing in order to engage in good faith negotiations to settle the matter.

12. During settlement negotiations, America One Finance, Inc. submitted the following documentation to OFI: (1) the company's Code of Ethics; (2) the company's Compliance Manual; (3) the company's plan to exercise due diligence in the hiring,

supervision, and registration of loan originators; (4) the company's Quality Control Plan; and (5) the company's Business Model. America One Finance, Inc. further acknowledged its regulatory and compliance shortcomings, but assured the agency that it has since implemented processes and policies to remediate and rectify its deficiencies.

AGREEMENT AND ORDER

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

1. America One Finance, Inc. hereby surrenders its KRS 286.8-020(2)(a) claim of exemption for failure to comply with the minimum loan requirements set forth in KRS 286.8-020(4) for 2006 and 2007.
2. OFI deems the terms and conditions set forth in the August 20, 2007, Order to Cease and Desist satisfied.
3. OFI hereby withdraws its denial of America One Finance, Inc.'s application to become licensed as a mortgage loan broker in Kentucky.
4. Upon satisfaction of and agreement to the conditions set forth herein, OFI agrees to issue America One Finance, Inc. a conditional license to transact business as a mortgage loan broker in Kentucky.
5. The conditional license set forth above shall be conditioned on the following:
 - a. America One Finance, Inc. shall submit an updated application for all locations it intends to license and register and shall comply with all requirements for licensure and registration set forth in KRS 286.8.

b. America One Finance, Inc. shall implement, abide by, and carry out the procedures and policies set forth in the documentation submitted to OFI and referenced above.

c. America One Finance, Inc., shall devote the attention and resources necessary to ensure continual and full compliance with all statutory requirements set forth in Chapter 286.8 of the Kentucky Revised Statutes and all regulations set forth in 808 KAR Chapter 12.

d. America One Finance, Inc. agrees to and shall be subject to the maximum fine and possible suspension, surrender, or revocation of its authority to transact business in Kentucky as a mortgage loan broker upon entry of a final order determining that America One Finance, Inc. has violated any of the provisions of set forth in Chapter 286.8 of the Kentucky Revised Statutes or 808 KAR Chapter 12.

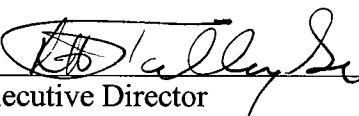
e. America One Finance, Inc. shall not permit any of its Kentucky loan originators to work or make contact with consumers from any location that is not licensed and registered with OFI. Home offices shall not be permitted.

6. Upon expiration of the conditional license referenced herein, America One Finance, Inc. may apply to renew its license pursuant to KRS 286.8-034. Upon receipt of the renewal application, OFI will re-evaluate America One Finance, Inc.'s fitness to transact business as a mortgage loan broker in Kentucky pursuant to standards set forth in KRS 286.8-080 and KRS 286.8-090. Once this review is complete, OFI shall make one of the following determinations: (1) America One Finance, Inc. may renew its license

without further conditions; (2) America One Finance, Inc. may renew its license with further conditions; (3) America One Finance, Inc. may not renew its license.

7. In regard to this matter, America One Finance, Inc. waives its right to demand a hearing, where it 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, America One Finance, 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 Feb day of ~~Feb~~ 4th, 2008.

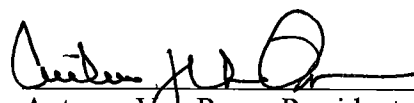

Executive Director

Consented to:

This 12th day of February, 2008


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

This Feb day of 4th, 2008


Autumn Van Rooy, President
America One Finance, Inc.