

**COMMONWEALTH OF KENTUCKY  
PUBLIC PROTECTION CABINET  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
ADMINISTRATIVE ACTION NO. 2025-DFI-0008**

KENTUCKY DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

v.

ATLANTIC BAY MORTGAGE GROUP, LLC

RESPONDENT

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**AGREED ORDER**

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**PARTIES**

1. The Kentucky Department of Financial Institutions is responsible for administering the provisions of KRS Chapter 286, Subtitle 8, of the Kentucky Financial Services Code ("the Code"), as well as any applicable rules, regulations and orders entered pursuant to the Code.
2. Atlantic Bay Mortgage Group, LLC is a Kentucky limited liability company, conducting business as a mortgage lender and master mortgage loan servicer. The company's principal office is located at 600 Lynnhaven Parkway, Suite 100, Virginia Beach, Virginia 23452. The company's registered agent is listed with the Kentucky Secretary of State as CT Corporation System, located at 306 W. Main Street, Suite 512, Frankfort, KY 40601.

**STATEMENT OF FACTS**

3. On November 19, 2024, the Department conducted a routine compliance examination of Atlantic Bay Mortgage Group, LLC. The period of conduct under examination spans from January 19, 2024, to September 30, 2024. The following events occurred during that examination.
4. The Department confirmed that Atlantic Bay Mortgage Group, LLC had employees utilizing alternate work locations when performing job duties within the mortgage lending process.

5. The Department reviewed Atlantic Bay Mortgage Group, LLC's MLO Remote Work Policy. The Remote Work Policy stated that "[p]eriodically, the Risk & Compliance function will perform control monitoring assessments to ensure business line management is adequately applying the requirements set forth in this Policy to mitigate the risk of non-compliance by the Company." The Remote Work Policy also stated that "[i]n conjunction with the company's Internal Audit function a review will be performed on an [sic] periodic basis consistent with the company's SAFE Act audit."

6. The Department requested documented reviews from Atlantic Bay Mortgage Group, LLC, which would certify that all employees engaged in the mortgage lending process at alternate work locations had met appropriate standards and safeguards required by statute and expressed in the company's policy. The company was unable to provide responsive documents to that request.

7. The Department asked Atlantic Bay Mortgage Group, LLC if it had conducted documented reviews of alternate work locations. Atlantic Bay Mortgage Group, LLC responded that it did not have dedicated reviews for remote locations but that it would implement reviews beginning on January 1, 2025.

8. In a letter dated February 14, 2025, Atlantic Bay Mortgage Group, LLC's representative sent the Department confirmation that it had received the Examiner Noted Violation on the Report of Examination dated January 14, 2025. In response, the company attached its most recent Branch and Remote Work Location Audit Procedure to verify updated controls for statutory compliance. The company further attached proof that documented audits had recently occurred pursuant to the new procedure.

## **STATUTORY AUTHORITY**

9. KRS 286.8-010(2) states that “Alternate work location”:
- (a) Means a physical location, other than the principal office or a branch, at which the employees of a licensee are authorized by the licensee to remotely engage in the mortgage lending process; and
  - (b) May include a physical location, other than the principal office or a branch, where an employee:
    - 1. Completes mortgage-related activities if the location is not maintained or utilized for the purpose of conducting in-person mortgage lending business; and
    - 2. Meets in person at the convenience of the borrower on an infrequent or as-needed basis in order to complete the mortgage lending process if the location is not the employee’s home.
10. KRS 286.8-036(6) states,
- (6) A licensee may permit employees to engage in the mortgage lending process at an alternate work location if:
    - (a) The licensee has written policies and procedures for supervision of employees working from alternate work locations;
    - (b) Access to the licensee’s computer systems and customer information is in accordance with the licensee’s comprehensive written information technology security plan;
    - (c) Employees are not permitted to conduct in-person customer activities at the alternate work location except as provided in KRS 286.8-010(2)(b)2.;
    - (d) The licensee ensures that no physical or electronic documents are maintained at the alternate work location; and
    - (e) No signage or advertising of the licensee or the mortgage loan originator is displayed at any alternate work location.
11. KRS 286.8-295 states,
- (1) As used in this section, “employee” shall include a mortgage loan originator engaged as an independent contractor.
  - (2) (a) Every mortgage loan company and mortgage loan broker shall exercise proper supervision and control over the operations, employees, and affairs of its company.

(b) A mortgage loan company or mortgage loan broker shall supervise and control all employees acting as a mortgage loan originator on behalf of the mortgage loan company or mortgage loan broker.

(3) A licensee that allows employees to engage in the mortgage lending process from an alternate work location shall:

- (a) Exercise proper supervision and control over the employees;
- (b) Have written policies and procedures in place that ensure a safe, secure system for the mortgage lending process;
- (c) Oversee compliance, and require all employees to comply, with the policies and procedures referenced in paragraph (b) of this subsection;
- (d) Employ appropriate risk-based monitoring and oversight processes;
- (e) Ensure that:
  - 1. Customer interactions and communications about consumer accounts are in compliance with federal and state information security requirements, including applicable provisions of:
    - a. The Gramm-Leach-Bliley Act of 1999, Pub. L. No. 106-102, as amended; and
    - b. The Federal Trade Commission's Safeguards Rule, set forth in 16 C.F.R. Part 314;
  - 2. Any employee that engages in the mortgage lending process at an alternate work location accesses the company's secure systems, including a cloud-based system, directly from any out-of-office device via a virtual private network (VPN) or a comparable system that ensures secure connectivity and requires passwords or other forms of authentication to access;
  - 3. Appropriate security updates, patches, or other alterations to the security of all devices used at an alternate work location are installed and maintained;
  - 4. Any employee that engages in the mortgage lending process at an alternate work location agrees to comply with the licensee's processes established under paragraph (d) of this subsection; and

5. The Nationwide Multistate Licensing System and Registry record of a mortgage loan originator that works from an alternate work location designates a properly licensed location as the mortgage loan originator's official work station;

(f) Have the ability to:

1. Remotely lock or erase company-related contents of any device; or
2. Otherwise remotely limit all access to the company's secure systems; and

(g) At least annually:

1. Certify that all employees engaged in the mortgage lending process at alternate work locations meet the appropriate standards and safeguards to continue engaging in the mortgage lending process from the alternate work locations; and
2. Review each alternate work location and provide proof of the documented review to the department upon request.

12. KRS 286.8-046 states,

(1) The commissioner may levy a civil penalty against any person who violates any provision of or any administrative regulation promulgated under this subtitle or order issued by the commissioner under this subtitle. The civil penalty shall be not less than one thousand dollars (\$1,000) nor more than twenty-five thousand dollars (\$25,000) per violation, plus the state's costs and expenses for the examination, investigation, and prosecution of the matter, including reasonable attorney's fees and court costs.

(2) The commissioner may order restitution, refund, recovery of expenses, or direct such other affirmative action as the commissioner deems necessary against any person who violates any order issued by the commissioner or any provision of, or administrative regulation promulgated under, this subtitle.

## **VIOLATIONS**

13. In contravention of KRS 286.8-295, Atlantic Bay Mortgage Group, LLC did not apply written policies and procedures for supervision of employees working at alternative work locations; did not annually certify that all employees engaged in the mortgage lending process at alternative work locations met the appropriate standards and safeguards to continue engagement

in that process from those locations; and did not provide the Department proof responsive to the Department's request that a documented review had occurred.

#### **AGREEMENT AND ORDER**

16. To resolve this matter without litigation or other adversarial proceedings, the Department and Atlantic Bay Mortgage Group, LLC agree to compromise and settle all claims arising from the above-referenced factual background in accordance with the terms set forth herein.

17. In the interest of economically and efficiently resolving the violations described herein, it is hereby **AGREED** and **ORDERED**:

i. Atlantic Bay Mortgage Group, LLC agrees to pay a civil fine in the amount of one thousand dollars (\$1,000.00) for the violations described herein, which shall be due and payable within thirty (30) days of the entry of this Order;

ii. All payments under this Order shall be in the form of an ACH payment made via secure website, pursuant to instructions provided to the Respondents, or by a certified check or money order made payable to "Kentucky State Treasurer" and mailed to the Department of Financial Institutions, Non-Depository Division, 2025-AH-0008, 500 Mero Street, Frankfort, Kentucky 40601;

iii. Atlantic Bay Mortgage Group, LLC waives the right to demand a hearing at which it would be entitled to legal representation, to confront and cross-examine witnesses, and to present evidence on its behalf, or to otherwise appeal or set aside this Agreed Order;

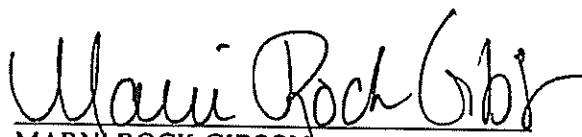
iv. Atlantic Bay Mortgage Group, LLC consents to and acknowledges the jurisdiction of the Department over this matter and that this Agreed Order is a matter of public record and may be disseminated as such;

v. In consideration of execution of this Agreed Order, Atlantic Bay Mortgage Group, LLC for itself, and for its successors and assigns, hereby releases and forever discharges the Commonwealth of Kentucky, the Department, 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 Atlantic Bay Mortgage Group, LLC 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;

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

vii. This Agreed Order shall constitute the Final Order in this matter.

**SO ORDERED** on this the 4<sup>th</sup> day of August, 2025.

  
MARNI ROCK GIBSON  
COMMISSIONER

**Consented to:**

*On behalf of the Department of Financial Institutions,*

This 31 day of July, 2025.

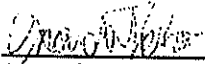


Director, Division of Non-Depository Institutions  
Department of Financial Institutions

and

*On behalf of Atlantic Bay Mortgage Group, LLC,*

This 30th day of April, 2025.



Amanda Tucker, Chief Risk and Compliance Officer  
Atlantic Bay Mortgage Group, LLC

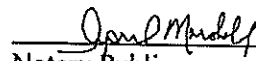
#### ACKNOWLEDGEMENT

STATE OF Virginia )  
 )  
COUNTY OF Albemarle )

On this the 30th day of April, 2025, **Amanda Tucker**, in my presence, acknowledged **herself** to be the authorized representative of **Atlantic Bay Mortgage Group, LLC**, and, being authorized to do so, did enter into and execute the foregoing instrument, on behalf of **Atlantic Bay Mortgage Group, LLC**, for the purposes therein contained, acknowledging the same.

My Commission Expires: April 30, 2029

April E. Marshall  
Digitally signed by April E. Marshall  
Registration #7713824  
Electronic Notary Public  
Commonwealth of Virginia  
My commission expires the  
30<sup>th</sup> day of April 2029

  
Notary Public



### CERTIFICATE OF SERVICE

SM I certify that a true and correct copy of the foregoing Agreed Order was sent on this the  
day of August, 2025, by the method indicated below to the following:

*Via certified mail, return receipt requested:*

CT Corporation System  
ATLANTIC BAY MORTGAGE GROUP, LLC  
306 W. Main Street, Suite 512  
Frankfort, KY 40601  
*Registered Agent on behalf of Respondent*

Amanda Tucker, Chief Risk and Compliance Officer  
ATLANTIC BAY MORTGAGE GROUP, LLC  
600 Lynnhaven Parkway, Suite 100  
Virginia Beach, Virginia 23452  
*Respondent*

*Via electronic delivery:*

Brandon Adcock, Staff Attorney III  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
500 Mero Street  
Frankfort, KY 40601  
[brandon.adcock@ky.gov](mailto:brandon.adcock@ky.gov)  
*Counsel for Department of Financial Institutions*

Kentucky Department of Financial Institutions

Name: Amanda Tucker

Title: Executive Staff Advisor