

**COMMONWEALTH OF KENTUCKY
ENVIRONMENTAL AND PUBLIC PROTECTION CABINET
OFFICE OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2007-AH-898**

IN THE MATTER OF:
AUDUBON MORTGAGE, LLC

SETTLEMENT AGREEMENT

BACKGROUND AND FACTUAL FINDINGS

1. Audubon Mortgage, LLC is licensed with the Office of Financial Institutions (“OFI”) as a mortgage broker located at 3123 Preston Highway, Louisville, KY 40213.

2. On April 2-3, 2007, an examination was conducted into the condition, workings and affairs of this location in order to determine whether: (1) it was in compliance with applicable laws and regulations; (2) its practices and policies had an adverse impact on prospective borrowers; and (3) it was being operated efficiently, fairly, and in the public interest.

3. In the course of that examination it was discovered that Audubon Mortgage, LLC violated Chapter 286.8 of the Kentucky Revised Statutes by employing an unregistered loan officer/originator.

AGREEMENT AND ORDER

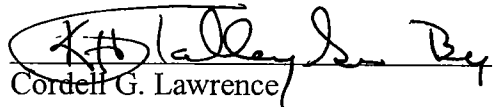
The Office of Financial Institutions and Audubon Mortgage, LLC, in the interest of economically and efficiently resolving the issues raised in the foregoing Background and Factual Findings, agree as follows:

1. In lieu of the imposition of a fine for the violation set forth herein, the parties hereby agree that Audubon Mortgage, LLC shall make and tender (on or before the date of execution of this Settlement Agreement) a monetary contribution to State Regulatory Agency, LLC, in the amount of five hundred dollars (\$500) to support the Nationwide

Mortgage Licensing System, jointly sponsored by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators, with said contribution being mailed or hand-delivered to the Office of Financial Institutions, Attn: Jessica Sharpe, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601. An additional monetary contribution shall be made by November 29, 2007 by Audubon Mortgage, LLC to State Regulatory Agency, LLC in the amount of five hundred dollars (\$500) to support the Nationwide Mortgage Licensing System, with said contributions being mailed or hand-delivered as set forth herein, for a total contribution of one thousand dollars (\$1,000).

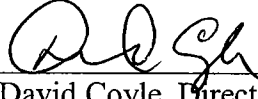
2. In regard to this matter, Audubon Mortgage, LLC waives its right to demand a hearing, at which Audubon Mortgage, LLC would be entitled to legal representation, to confront and cross examine witnesses for the Office of Financial Institutions, and to present evidence on its own behalf. Further, Audubon Mortgage, LLC 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 13th day of November, 2007.


Cordell G. Lawrence
Executive Director

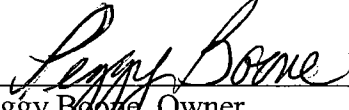
Consented to:

This 13th day of December, 2007



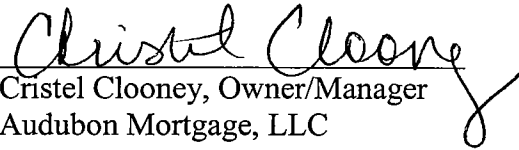
David Coyle, Director
Division of Financial Institutions
Office of Financial Institutions

This 14 day of October, 2007



Peggy Boone, Owner
Audubon Mortgage, LLC

This 14 day of October, 2007



Cristel Clooney, Owner/Manager
Audubon Mortgage, LLC