

**COMMONWEALTH OF KENTUCKY
ENVIRONMENTAL AND PUBLIC PROTECTION CABINET
OFFICE OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2007-AH-901**

IN THE MATTER OF:
BAYROCK MORTGAGE CORPORATION

SETTLEMENT AGREEMENT

BACKGROUND AND FACTUAL FINDINGS

1. Bayrock Mortgage Corporation is licensed with the Office of Financial Institutions (“OFI”) as a mortgage loan company whose principal office is located at 11575 Great Oaks Way, Ste. 300, Alpharetta, GA 30022.

2. On June 18-19, 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 Bayrock Mortgage Corporation violated Chapter 286.8 of the Kentucky Revised Statutes by conducting business with unlicensed/unregistered brokers/originators.

AGREEMENT AND ORDER

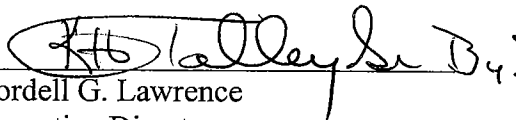
The Office of Financial Institutions and Bayrock Mortgage Corporation, in the interest of economically and efficiently resolving the issues raised in the foregoing Background and Factual Findings, agree as follows:

1. Bayrock Mortgage Corporation agrees to pay a fine in the amount of four thousand (\$4,000) dollars for the violations set forth above, which shall be made payable

to "Kentucky State Treasurer" and mailed to the Office of Financial Institutions, Attn: Jessica Sharpe, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601.

2. In regard to this matter, Bayrock Mortgage Corporation waives its right to demand a hearing, at which Bayrock Mortgage Corporation 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, Bayrock Mortgage Corporation 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 5th day of November, 2007.

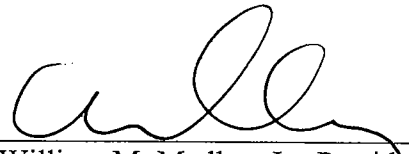

Cordell G. Lawrence
Executive Director

Consented to:

This 5th day of November, 2007

This 18th day of October, 2007


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


William M. Medley, Jr., President
Bayrock Mortgage Corporation