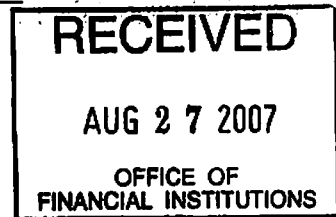


**COMMONWEALTH OF KENTUCKY
ENVIRONMENTAL AND PUBLIC PROTECTION CABINET
OFFICE OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2007-AH- 494**

IN THE MATTER OF:
COLDSTREAM FINANCIAL SERVICES, INC.
dba COLDSTREAM MORTGAGE



SETTLEMENT AGREEMENT

BACKGROUND AND FACTUAL FINDINGS

1. Coldstream Financial Services, Inc., dba Coldstream Mortgage ("Coldstream") is licensed by the Office of Financial Institutions ("OFI") to conduct business as a mortgage loan broker. Coldstream's principal office is at 71 Cavalier Boulevard, Suite 131, Florence, Kentucky 41042 and its mortgage loan broker license number is MB7436.
2. On March 14, 2006, an examination was conducted into the condition, workings and affairs of Coldstream 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 Coldstream had three individuals originating mortgage loans on Kentucky properties without being registered with OFI and that state and federal laws had been violated repeatedly.
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. Coldstream's employment of unregistered mortgage loan officers to originate loans on Kentucky properties was a violation of KRS 294.255(1).

AGREEMENT AND ORDER

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

1. Coldstream Financial Services, Inc., dba Coldstream Mortgage agrees to pay a fine in the amount of ^{five ~~one~~} thousand (\$5,000) 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, Coldstream Financial Services, Inc., dba Coldstream Mortgage 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, Coldstream Financial Services, Inc., dba Coldstream Mortgage 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 1st day of Aug, 2007.

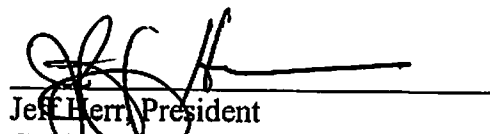

Cordell G. Lawrence
Executive Director

Consented to:

This _____ day of _____, 2007

This 1st day of Aug, 2007

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



Jeff Herr, President
Coldstream Financial Services, Inc.
dba Coldstream Mortgage