

**COMMONWEALTH OF KENTUCKY
ENVIRONMENTAL AND PUBLIC PROTECTION CABINET
OFFICE OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2006-AH- 004**

IN THE MATTER OF:
CONTINENTAL FUNDING GROUP, INC.

SETTLEMENT AGREEMENT

BACKGROUND AND FACTUAL FINDINGS

1. Continental Funding Group, Inc. ("Continental") is licensed by the Office of Financial Institutions ("OFI") to conduct business as a mortgage loan company. Continental's principal office is at 1465 South Fourth Street, Louisville, Kentucky 40208 and its mortgage loan broker license number is 8145.

2. On September 12, 2005, an examination was conducted into the condition, workings and affairs of Continental 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 Continental had two individuals originating mortgage loans on Kentucky properties without being registered with OFI.

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. Continental's employment of unregistered mortgage loan officer to originate loans on Kentucky properties was a violation of KRS 294.255(1).

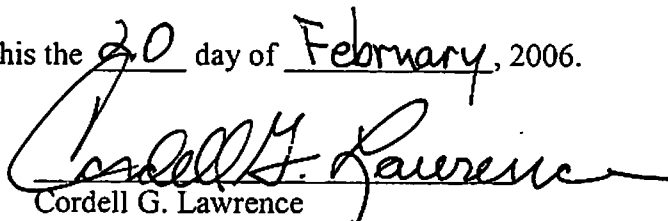
AGREEMENT AND ORDER

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

1. Continental Funding Group, Inc. agrees to pay a fine in the amount of two thousand (\$2,000) 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, Continental Funding Group, Inc. waives its right to demand a hearing, at which Continental Funding Group, Inc. 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, Continental Funding Group, 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 20 day of February, 2006.


Cordell G. Lawrence
Executive Director


Consented to:

This 21st day of February, 2006



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

This 8th day of FEB., 2006



Nicholas M. Ellis
President
Continental Funding Group, Inc.