

**COMMONWEALTH OF KENTUCKY  
PUBLIC PROTECTION CABINET  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
AGENCY CASE NO. 2009-AH- 034**

IN THE MATTER OF:  
DERBY CITY FINANCIAL, LLC

**AGREED ORDER**

**BACKGROUND AND FACTUAL FINDINGS**

1. Derby City Financial, LLC (“Derby City”) is licensed by the Department of Financial Institutions (“DFI”) to conduct the business of a mortgage loan broker at 310 Evergreen Road, Suite 200, under mortgage loan company license #MB 1290-B.

2. On June 30, 2008, an examination was conducted into the condition, workings and affairs of Derby City 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 the examination it was discovered that Derby City violated Chapter 286.8 of the Kentucky Revised Statutes by employing three unregistered individuals to originate mortgage loans on Kentucky properties. The three individuals are Nate Sullivan, Matt Stegeman and Jason Rainwater.

4. By allowing unregistered individuals to broker mortgage loans on Kentucky properties, Derby City was in violation of KRS 286.8-030, which makes it unlawful for any mortgage loan company or mortgage loan broker to employ or use, with or without compensation, a mortgage loan originator or a mortgage loan processor if the mortgage loan originator is not registered in accordance with KRS 286.8-255.

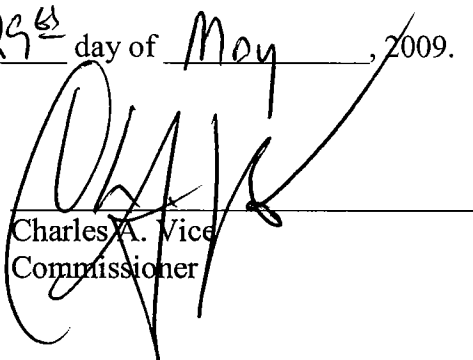
**AGREEMENT AND ORDER**

The Department of Financial Institutions and Derby City, in the interest of economically and efficiently resolving the violations described in the foregoing Background and Factual Findings, agree as follows:

1. Derby City agrees to pay a fine in the amount of five thousand dollars (\$5,000) dollars, which shall be made payable by cashier's check to the "Kentucky State Treasurer" and mailed to the Department of Financial Institutions, Attn: Sally Mooney, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601 by March 25, 2009.

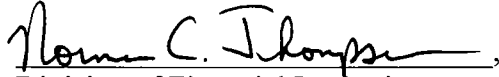
3. Derby City agrees that by entering into this Agreement it waives its right to a hearing, at which Derby City would be entitled to be represented by counsel, to confront and cross examine witnesses for DFI, and to present evidence on its own behalf. Derby City further agrees and acknowledges the jurisdiction of DFI 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 29<sup>th</sup> day of May, 2009.

  
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Charles A. Vice  
Commissioner


Consented to:

This 1 day of May, 2009

  
Division of Financial Institutions  
Department of Financial Institutions

Consented to:

This 6 day of May, 2009

  
Deven Alldaffer, President  
Derby City Financial, LLC