

7. EMORT provided inaccurate information concerning the employment status of six people who were listed as W2 employees while having the status of 1099 contractors.
8. The education provided to loan processors by or through EMORT did not include one hour of Kentucky specific information.
9. EMORT used the service of multiple loan originators who were not bonded for such services.
10. EMORT has subsequently asserted that it has taken corrective action for all noted deficiencies.

STATUTORY AUTHORITY

11. KRS 286.8-046 states:

(1) The commissioner may levy a civil penalty against any person who violates any provision of or any administrative regulation promulgated under this subtitle or order issued by the commissioner under this subtitle. The civil penalty shall be not less than one thousand dollars (\$1,000) nor more than twenty-five thousand dollars (\$25,000) per violation, plus the state's costs and expenses for the examination, investigation, and prosecution of the matter, including reasonable attorney's fees and court costs.

(2) The commissioner may order restitution, refund, recovery of expenses, or direct such other affirmative action as the commissioner deems necessary against any person who violates any order issued by the commissioner or any provision of, or administrative regulation promulgated under, this subtitle.

12. KRS 286.8-030(1)(c) states:

It is unlawful for any natural person to transact business in Kentucky, either directly or indirectly, as a mortgage loan originator, unless otherwise exempted, if the mortgage loan originator is not registered in accordance with KRS 286.8-255.

13. KRS 286.8-255(1)(a) states:

No natural person shall transact business in Kentucky, either directly or indirectly, as a mortgage loan originator unless such mortgage loan originator:

1. Is registered with the department;
2. Complies with all applicable requirements of this subtitle; and
3. Maintains a valid unique identifier issued by the Nationwide Multistate Licensing System and Registry.

14. KRS 286.8-220(1) states:

No person shall make or cause to be made, in any document filed with the commissioner, a governmental agency, the Nationwide Multistate Licensing System and Registry, or in any proceeding under this subtitle, any statement that is, at the time and in light of the circumstances under which it is made, false or misleading in any material respect, including an omission of a material fact.

15. KRS 286.8-255(9)(a) states:

A mortgage loan processor shall not be required to maintain a registration, but the processor's supervising mortgage loan company or mortgage loan broker shall be required to:

1. Provide the mortgage loan processor with the continuing education required under KRS 286.8-260; and
2. Prior to hiring an applicant as a processor, perform an employee background check in accordance with uniform standards established by the commissioner.

16. KRS 286.8-260(1) states:

(a) Any person required to be registered under this subtitle shall complete at least eight (8) hours of continuing professional education on an annual basis that is approved and designated by the commissioner.

(b) A minimum of one (1) hour of continuing professional education each year shall be instruction on the requirements of this subtitle, KRS 360.100, or a combination of both.

17. 808 KAR 1:170 Section 7 states:

Mortgage Loan Originator Bond Requirements. In addition to the requirements

established in this administrative regulation, an applicant applying for registration, renewal, or renewal through reinstatement as a mortgage loan originator shall provide proof that the mortgage loan originator holds or is covered by a bond. If the mortgage loan originator is procuring his or her own bond, the applicant shall submit an Electronic Surety Bond available online at <http://mortgage.nationwidelicensingsystem.org> in an amount determined by annual loan origination as follows:

- (1) If the annual loan volume of the applicant is less than \$10,000,000, the surety bond shall be in an amount not less than \$15,000; or
- (2) If the annual loan volume of the applicant is \$10,000,000 or more, the surety bond shall be in an amount not less than \$20,000.

18. KRS 286.8-295(2) states:

- (a) Every mortgage loan company and mortgage loan broker shall exercise proper supervision and control over the operations, employees, and affairs of its company.
- (b) A mortgage loan company or mortgage loan broker shall supervise and control all employees acting as a mortgage loan originator on behalf of the mortgage loan company or mortgage loan broker.

VIOLATIONS

19. In contravention of KRS 286.8-030(1)(c), EMORT transacted business in Kentucky through a mortgage loan originator who was not, at the time, registered in accordance with KRS 286.8-255.
20. In contravention of KRS 286.8-220(1), EMORT caused to be made a document to be filed which contained information that was false or misleading in a material respect or fact by its misclassification of 1099 contractors as W2 employees.

21. In contravention of KRS 286.8-295(2), EMORT failed to exercise proper control over operations in failing to have backup records available for lost computer records and being unaware of the proper licensing requirements.
22. In contravention of KRS 286.8-255(9)(a)(1) and KRS 286.8-260(1), EMORT failed to provide continuing education that met the requirement of including one hour of instruction specific to the governing subtitle of Kentucky law.
23. In contravention of 808 KAR 1:170 Section 7, EMORT made use of mortgage loan originators that did not possess a surety bond.
24. In contravention of KRS 286.8-295(2) EMORT, failed to exercise proper supervision and control over the operations, employees, and affairs of its company including employees acting as a mortgage loan originator or mortgage loan broker.

AGREEMENT AND ORDER

25. To resolve this matter without litigation or other adversarial proceedings, the Department and E Mortgage Capital, Inc. agree to compromise and settle all claims arising from the above-referenced factual background in accordance with the terms set forth herein.
26. In the interest of economically and efficiently resolving the violations described herein, it is hereby **AGREED** and **ORDERED**:
 - i. E Capital Mortgage, Inc. agrees to pay a civil fine in the amount of eleven thousand dollars (\$11,000.00) for the violations described herein, which shall be due and payable within thirty (30) days of the entry of this Order;
 - ii. All payments under this Order shall be in the form of a payment made via the NMLS system;

iii. E Mortgage Capital, Inc. waives the right to demand a hearing at which it would be entitled to legal representation, to confront and cross-examine witnesses, and to present evidence on its behalf, or to otherwise appeal or set aside this Agreed Order;

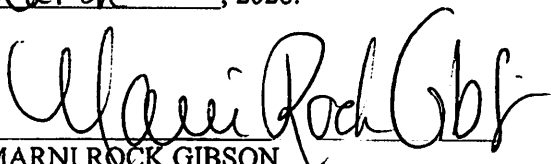
iv. E Mortgage Capital, Inc. consents to and acknowledges the jurisdiction of the Department over this matter and that this Agreed Order is a matter of public record and may be disseminated as such;

v. In consideration of execution of this Agreed Order, E Mortgage Capital, Inc. for itself, and for its successors and assigns, hereby releases and forever discharges the Commonwealth of Kentucky, the Department, Office of Legal Services, and each of their members, agents, and employees in their individual capacities, from any and all manner of actions, causes of action, suits, debts, judgments, executions, claims and demands whatsoever, known and unknown, in law or equity, that E Mortgage Capital, Inc. ever had, now has, may have or claim to have against any or all of the persons or entities named in this paragraph arising out of or by reason of this investigation, this disciplinary action, this settlement or its administration;

vi. By signing below, the parties acknowledge they have read the foregoing Agreed Order, fully understand its contents, and that they are authorized to enter into and execute this Agreed Order and legally bind their respective parties; and

vii. This Agreed Order shall constitute the Final Order in this matter.

SO ORDERED on this the 26th day of March, 2026.


MARNI ROCK GIBSON
COMMISSIONER

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing Agreed Order was sent on this the 20 day of March, 2026, by the method indicated below to the following:

Via certified mail, return receipt requested and email:

Registered Agents, Inc.
Attn: Registered Agent for E Mortgage Capital, Inc.
212 N. 2nd St.
Suite 100
Richmond, KY 40475

E Mortgage Capital, Inc.
3750 Susan Street
Santa Ana, CA 92704

Via electronic delivery

E Mortgage Capital, Inc.
Attn: Jim Brown
Compliance Officer
jim@emortgagecapital.com

Via hand delivery:

Eric Richardson, Staff Attorney III
DEPARTMENT OF FINANCIAL INSTITUTIONS
500 Mero Street
Frankfort, KY 40601
eric.richardson@ky.gov
Counsel for Department of Financial Institutions

Kentucky Department of Financial Institutions

Name: Allison Reed by Victoria Ward-Bishop

Title: Executive Staff Advisor

CALIFORNIA CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of Orange)

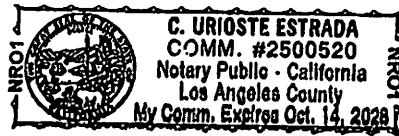
On March 11, 2026 before me, C. Urioste Estrada, Notary Public (here insert name and title of the officer)

personally appeared Wesam Hazin

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature [Handwritten Signature]

(Seal)

Optional Information

Although the information in this section is not required by law, it could prevent fraudulent removal and reattachment of this acknowledgment to an unauthorized document and may prove useful to persons relying on the attached document.

Description of Attached Document

The preceding Certificate of Acknowledgment is attached to a document titled/for the purpose of commonwealth of Kentucky agreed order containing pages, and dated

The signer(s) capacity or authority is/are as:

- Individual(s)
Attorney-in-Fact
Corporate Officer(s) Title(s)

- Guardian/Conservator
Partner - Limited/General
Trustee(s)
Other:

representing: Name(s) of Person(s) or Entity(ies) Signer is Representing

Method of Signer Identification
Proved to me on the basis of satisfactory evidence:
Notarial event is detailed in notary journal on:
Notary contact:
Other
Additional Signer(s)
Signer(s) Thumbprint(s)