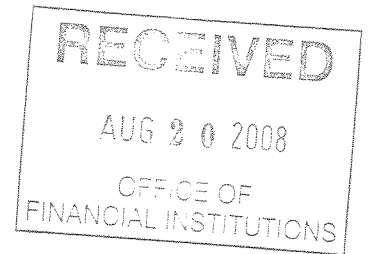


COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2008-AH- 220



IN THE MATTER OF:
EQUITY FIRST MORTGAGE

SETTLEMENT AGREEMENT

BACKGROUND AND FACTUAL FINDINGS

1. On March 21, 2006, Equity First Mortgage ("Equity First") was licensed by the Department of Financial Institutions ("DFI") to conduct the business of a mortgage loan broker at 120 East Reynolds Road, Suite 4, Lexington, Kentucky 40517, under mortgage loan broker license number 16303.

2. On March 3, 2008, an examination was conducted into the condition, workings and affairs of Equity First 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 on three different occasions in 2007 Equity First paid an individual named Paul Metzler on a commission basis for services he performed in connection with three separate mortgage loans originated by Equity First. Equity First states that Mr. Metzler was an employee of Family Wealth Strategies, another business located at the same address as Equity First.

4. KRS 286.8-032(4) entitles employees of a mortgage loan company or mortgage loan broker to engage in the mortgage loan business under the license of the mortgage loan company or mortgage loan broker. Mr. Metzler was not an employee of Equity First

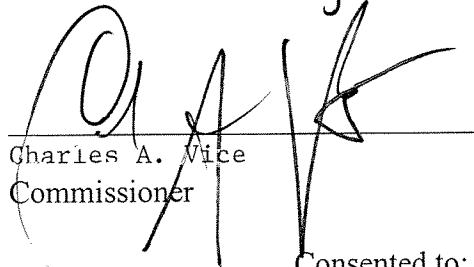
at the time he engaged in the mortgage loan business and was compensated on a commission basis.

AGREEMENT AND ORDER

The Department of Financial Institutions and Equity First in the interest of economically and efficiently resolving the issues raised in the foregoing Background and Factual Findings agree as follows:


1. Equity First denies that Mr. Metzler originated loans for Equity First but admits that he processed loans on three occasions in 2007.
2. Equity First agrees to pay a fine in the amount of one thousand (\$1,000) dollars, which is due on or before August 15, 2008.
3. The fine shall be made payable to "Kentucky State Treasurer" and mailed to the Department of Financial Institutions, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601.

IT IS SO ORDERED on this the 28 day of August, 2008.


Charles A. Vice
Commissioner

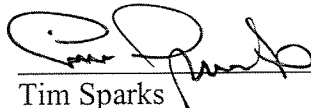
Consented to:

This 22nd day of July, 2008


David Coyle,
Director, Division of Financial Institutions
Department of Financial Institutions
1025 Capital Center Drive, Ste. 200
Frankfort, Kentucky 40601

Consented to:

This 18th day of July, 2008


Tim Sparks
President
Equity First Mortgage, LLC
120 East Reynolds Road
Lexington, Kentucky 40517