

**COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2013-AH-0005**

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

vs.

FRANKLIN AMERICAN MORTGAGE COMPANY

RESPONDENT

AGREED ORDER

1. The Department of Financial Institutions (“DFI”) is responsible for regulating and licensing mortgage loan brokers, mortgage loan companies, mortgage loan originators, and mortgage loan processors in accordance with the provisions set forth in KRS Chapter 286.8, the Mortgage Loan Company and Mortgage Loan Broker Act.

2. Franklin American Mortgage Company (“Franklin American”) is authorized to do business in Kentucky as a licensed mortgage loan company pursuant to Kentucky Revised Statutes Chapter 286.8, with its principal office located at 501 Corporate Centre Drive, Suite 400, Franklin, TN 37067.

3. From October 22, 2012 to November 1, 2012, DFI conducted a compliance exam at Franklin American. DFI discovered that Franklin American had utilized one (1) unregistered loan officer to originate a mortgage loan during the 2012 calendar year in violation of KRS §286.8-030 which prohibits a mortgage loan company from employing or using a loan officer who is not registered in accordance with KRS §286.8-255.

4. The Department possesses a range of administrative authority in addressing violations of Chapter 286.6, including license revocation or denial, the imposition of fines in an amount up to \$25,000 per violation, and settlement. *See* KRS §286.8-046; §286.8-090.

5. In this case, the Department assessed a fine against Franklin American in the amount of one thousand dollars (\$1,000.00) for utilizing an unregistered loan officer to originate Kentucky loans in violation of KRS §286.8-030.

6. In the interest of economically and efficiently resolving the violation described herein, DFI and Franklin American agree as follows:

a. Franklin American agrees to a fine assessment in the amount of one thousand dollars (\$1,000.00) for the violations described herein;

b. Franklin American agrees to and shall pay one thousand dollars (\$1,000) of the total fine assessed herein prior to the entry of this Order, which shall be in the form of a certified check or money order made payable to “Kentucky State Treasurer” and mailed to the Department of Financial Institutions, Attn: Katherine W. Ross, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601; and

c. Franklin American agrees to register with DFI all individuals who originate mortgage loans on Kentucky properties on its behalf.

d. Franklin American shall devote the time and resources necessary to ensure continual and full compliance with all statutory requirements set forth in KRS Chapter 286.8 and the regulations set forth in 808 KAR Chapter 12.

7. Franklin American waives its 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 own behalf, or to otherwise appeal or set aside this Order.

8. Franklin American consents to and acknowledges the jurisdiction of the Department of Financial Institutions over this matter and that this Agreed Order is a matter of public record and may be disseminated as such.

9. In consideration of execution of this Agreed Order, Franklin American for itself, and for its successors and assigns, hereby releases and forever discharges the Commonwealth of Kentucky, Department of Financial Institutions, 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 Multi-State 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.

10. By signing below, the parties acknowledge that they are authorized to execute this Order and legally bind their respective parties.

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

IT IS SO ORDERED on this the 23rd day of January, 2013.



CHARLES A. VICE
COMMISSIONER

Consented to:

This 29th day of January, 2013.

This 28th day of Jan, 2013.

for Tom Fitzgerald
Authorized Representative
Division of Non-Depository Institutions
Department of Financial Institutions

[Signature]
Authorized Representative
Franklin American Mortgage Company

ACKNOWLEDGEMENT

STATE OF Tennessee)
COUNTY OF Williamson)

On this the 28th day of Jan, 2013, before me Kellie N. Waits, the undersigned, Scott J. Tansil did personally appear and acknowledge himself/herself to be the authorized representative of Franklin American Mortgage Company and that he/she, being authorized to do so, entered into and executed the foregoing instrument for the purposes therein contained.

In witness whereof I hereunto set my hand.

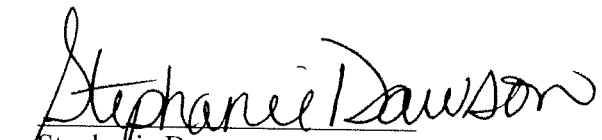
My Commission Expires: 2/23/2016

[Signature]
Notary Public
KELLIE N. WAITS
STATE OF TENNESSEE
NOTARY PUBLIC
WILLIAMSON COUNTY, TN

Certificate of Service

I hereby certify that a copy of the foregoing **Agreed Order** was sent on this the 30th day of January, 2013, by certified mail, return receipt requested, to the following:

Nikki Waits
Franklin American Mortgage Company
501 Corporate Centre Drive
Suite 400
Franklin, TN 37067


Stephanie Dawson
Department of Financial Institutions