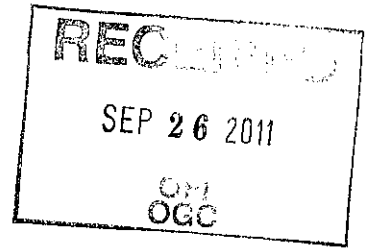


COMMONWEALTH OF KENTUCKY  
PUBLIC PROTECTION CABINET  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
AGENCY CASE NO. 2011-AH-0158



DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

v.

**AGREED ORDER**

HOME SOLUTIONS D, LLC; HOME SOLUTIONS, INC. and  
PARKWAY TERRACE, LLC

RESPONDENT

\* \* \* \* \*

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 Licensing and Regulation Act (the "Act").

2. Home Solutions D, LLC ("Respondent HSD") is an active limited liability company, in good standing, incorporated under the laws of the Commonwealth of Kentucky. Respondent HSD's principal office and Registered Agent for service of process, Robert S. German, are located at 1824 Eastern Parkway, Louisville, Kentucky 40204. Respondent HSD is not, and at no relevant times has been, licensed as a mortgage loan company or mortgage loan broker in Kentucky pursuant to the Act.

3. Home Solutions, Inc. ("Respondent HSI") is an active corporation, in good standing, incorporated under the laws of the Commonwealth of Kentucky. Respondent HSI's principal office and Registered Agent for service of process, Robert S. German, are located at 1824 Eastern Parkway, Louisville, Kentucky 40204. Respondent HSI is not, and at no relevant times has been, licensed as a mortgage loan company or mortgage loan broker in Kentucky pursuant to the Act.

4. Parkway Terrace, LLC (“Respondent Parkway”) is an active limited liability company, in good standing, incorporated under the laws of the Commonwealth of Kentucky. Respondent Parkway’s principal office and Registered Agent for service of process, Robert S. German, are located at 1824 Eastern Parkway, Louisville, Kentucky 40204. Respondent Parkway is not, and at no relevant times has been, licensed as a mortgage loan company or mortgage loan broker in Kentucky pursuant to the Act.

5. Each of the Respondents is owned and operated by Robert S. German.

6. In December 2010, the DFI began an investigation of suspected mortgage loan activity by Mr. German and/or his various corporate entities, including the Respondents.

7. As a result of its investigation, the DFI discovered that during the calendar years 2006, 2007 and 2008, Respondent HSD made residential mortgage loans without reporting those loans to the DFI, in violation of KRS 286.8-020(2)(e), which at the time exempted from the Acts’ licensing requirements a mortgage loan company or broker making less than five (5) mortgage loans per year, but only if the company or broker notified the DFI of each loan, in such written form and manner as required by the DFI. By failing to satisfy the conditions of the exemption, Respondent HSD was therefore acting as an unlicensed mortgage loan company in violation of KRS 286.8-030.

8. As a result of its investigation, the DFI also discovered that during the calendar year 2007, Respondent HSI made a residential mortgage loan without reporting the loan to the DFI, in violation of KRS 286.8-020(2)(e), which at the time exempted from the Acts’ licensing requirements a mortgage loan company or broker making less than five (5) mortgage loans per year, but only if the company or broker notified the DFI of each loan, in such written form and manner as required by the DFI.

By failing to satisfy the conditions of the exemption, Respondent HSI was therefore acting as an unlicensed mortgage loan company in violation of KRS 286.8-030.

9. As a result of its investigation, the DFI also discovered that during the calendar year 2009, Respondent Parkway made a mortgage loan in violation of KRS 286.8-030(1)(a), which makes it unlawful for any person to transact business in Kentucky, either directly or indirectly, as a mortgage loan company or mortgage loan broker if the company or broker is not licensed in accordance with the requirements of the Act.

10. The DFI possesses a range of administrative authority in addressing violations of the Act, including license revocation or denial, and/or the imposition of fines in an amount up to \$25,000 per violation. *See* KRS 286.8-046; 286.8-090.

11. In this case, the DFI has assessed a fine in the amount of one thousand dollars (\$1,000.00) for the conduct of Respondents HSD and HDI in failing to report mortgage loans under the former provisions of the Act as set forth herein, as well as a fine against Respondent Parkway in the amount of one thousand dollars (\$1,000.00) for acting as an unlicensed mortgage loan company in violation of KRS 286.8-030(1)(a).

12. In the interest of economically and efficiently resolving the violation(s) described herein, DFI and Respondents agree as follows:

- a. Respondents HSD and HDI agree to a joint fine assessment in the amount of one thousand dollars (\$1,000.00) for the violation(s) described herein;
- b. Respondent Parkway agrees to a fine assessment in the amount of one thousand dollars (\$1,000.00) for the violation(s) described herein;

c. Respondents agree to and shall pay the total fines assessed herein, totaling two thousand dollars (\$2,000.00), which payment(s) shall be due on the date Respondents execute the Agreed Order and return it to the DFI but in no event later than September 27, 2011. Said payment(s) shall be in the form of certified check or money order made payable to "Kentucky State Treasurer" and mailed to the Department of Financial Institutions, Attn: Michael T. Davis, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601; and

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

7. Respondents waive their respective rights to demand a hearing at which they would be entitled to legal representation, to confront and cross-examine witnesses, and to present evidence on their own behalves, or to otherwise appeal or set aside this Order.

8. Respondents consent to and acknowledge the jurisdiction of the DFI 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, Respondents for themselves, and for their successors and assigns, hereby release and forever discharge the Commonwealth of Kentucky, the DFI, 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 Respondents ever had, now have, 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 they have read the foregoing Agreed Order, know and fully understand its contents, and that they are authorized to enter into and execute this Agreed 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 26 day of September, 2011.

  
\_\_\_\_\_  
CHARLES A. VICE  
COMMISSIONER

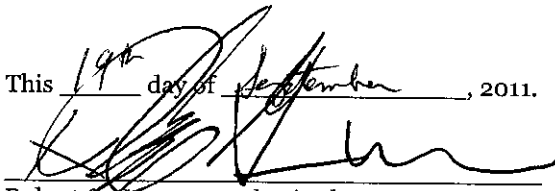
**Consented to:**

This 26<sup>th</sup> day of September, 2011.



Nicole Biddle, Director  
Division of Non-Depository Institutions  
Department of Financial Institutions

This 19<sup>th</sup> day of September, 2011.

  
\_\_\_\_\_  
Robert S. German, authorized representative of  
Respondents Home Solutions D, LLC, Home  
Solutions, Inc., and Parkway Terrace, LLC

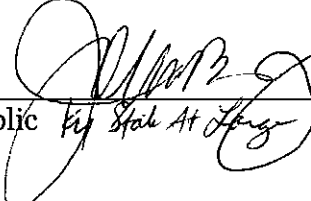
ACKNOWLEDGEMENT

STATE OF Ky )  
COUNTY OF Jefferson )

On this the 19<sup>th</sup> day of September, 2011, before me John D. Borders, Jr., the undersigned, Robert S. German, as authorized representative of Home Solutions D, LLC, Home Solutions, Inc., and Parkway Terrace, LLC, did personally appear and entered into and executed the foregoing instrument for the purposes therein contained.

In witness whereof I hereunto set my hand.

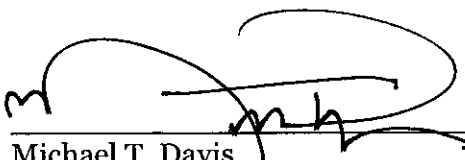
My Commission Expires: 9/7/2013

  
Notary Public Ky State At Large

**Certificate of Service**

I, Michael T. Davis, hereby certify that a copy of the foregoing **Agreed Order** was sent on this the 27<sup>th</sup> day of September, 2011, by certified mail, to the following:

Hon. John D. Borders, Jr.  
Borders & Borders, PLC  
920 Dupont Road  
Louisville, Kentucky 40207  
*Counsel for Respondents*

  
Michael T. Davis  
Department of Financial Institutions  
1025 Capital Center Drive  
Suite 200  
Frankfort, Kentucky 40601  
502-573-3390 ext. 240 (phone)  
502-573-2183 (facsimile)  
*Counsel for Complainant*