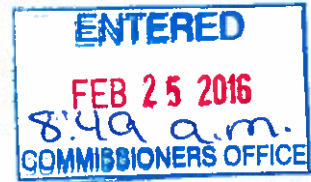


COMMONWEALTH OF KENTUCKY  
PUBLIC PROTECTION CABINET  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
AGENCY CASE NO. 2016-AH-00008



DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

vs.

**AGREED ORDER**

LENOX FINANCIAL MORTGAGE CORPORATION  
(License #: MC95560)

RESPONDENT

\* \* \* \* \*

1. The Department of Financial Institutions ("DFI") is responsible for regulating and licensing entities engaged in the business in mortgage brokering, origination and processing in accordance with the provisions set forth in Kentucky Revised Statutes (KRS) Chapter 286.8.

2. Lenox Financial Mortgage Corporation ("Respondent") is authorized to do business in Kentucky as a mortgage company licensee, pursuant to KRS Chapter 286.8, with an office located at 200 East Sandpointe, Santa Ana, California 92707, with License#: MC95560 (NMLS#: 3304) (ICIE #: 349797).

3. DFI conducted a routine examination of Respondent on August 26, 2015. During the examination, DFI discovered that the Respondent employed one (1) unregistered loan processor, in violation of KRS 286.8-030(1)(c) and KRS 286.8-030(1)(d).

4. DFI possesses a range of administrative authority in addressing statutory and regulatory violations, including license revocation or denial, suspension or the imposition of civil penalties. See KRS 286.8-046 and KRS 286.8-090.

5. In this case, the DFI assessed a civil penalty against Respondent in the amount of One Thousand Dollars (\$1,000.00) for the above-described violation of KRS 286.8.

6. In the interest of economically and efficiently resolving the violation(s) described herein, and without Respondent admitting or denying the statements of fact and legal conclusions herein, DFI and Respondent agree as follows:

a. Respondent agrees to a civil penalty assessment in the amount of One Thousand Dollars (\$1,000.00) for the violation(s) described herein;

b. Respondent agrees to and shall pay the total civil penalty assessed herein of One Thousand Dollars (\$1,000.00), which shall be due upon entry of the Agreed Order. **The payment 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: Non-Depository Division - ORDER, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601;**

c. Respondent shall devote the time and resources necessary to ensure continual and full compliance with all statutory requirements set forth in KRS Chapter 286.8.

7. Respondent 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. Respondent consents to and acknowledges the jurisdiction of 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, Respondent for itself, and for its successors and assigns, hereby releases and forever discharges the Commonwealth of Kentucky, 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 Respondent 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 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. Respondent agrees to cease and desist from using unlicensed mortgage loan processors for the transaction of business in the Commonwealth of Kentucky until such time as the requirements of KRS Chapter 286.8 are met.

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

IT IS SO ORDERED on this the 24<sup>th</sup> day of February, 2016.

  
\_\_\_\_\_  
CHARLES A. VIOE  
COMMISSIONER

**Consented to:**

This 23<sup>rd</sup> day of February, 2016.

This 11<sup>th</sup> day of Feb., 2016.

Tammy Scruggs  
Tammy Scruggs, Director  
Division of Non-Depository Institutions  
Department of Financial Institutions

W. Hoaglund  
Authorized Representative  
Lenox Financial Mortgage Corporation  
Mortgage Company License #:  
MC95560

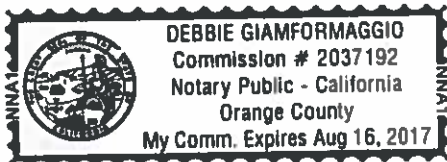
**ACKNOWLEDGEMENT**

STATE OF California )  
COUNTY OF Orange )

On this the 11<sup>th</sup> day of February, 2016, before me Debbie Giamformaggio, the undersigned, Wesley Hoaglund, did personally appear and acknowledge himself/herself to be the authorized representative of **Lenox Financial Mortgage Corporation, License #: MC95560**, and that he/she, being authorized to do so, entered into and executed the foregoing instrument for the purposes therein contained.

My Commission Expires: August 16, 2017

Debbie Giamformaggio  
Notary Public



**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing **Agreed Order** was sent on this the 25 day of February, 2016, by certified mail, return receipt requested, to:

Ms. Angelina G. Robertson  
SVP Compliance and General Counsel  
Lenox Financial Mortgage Corporation  
200 East Sandpointe Avenue  
8<sup>th</sup> Floor  
Santa Ana, California 92707

And by Hand-Delivery to:

Hon. Tiffany J. Bowman  
1025 Capital Center Drive, Suite 200  
Frankfort, KY 40601  
Attorney for the Kentucky Department of Financial Institutions



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Kentucky Department of Financial Institutions