



**COMMONWEALTH OF KENTUCKY  
PUBLIC PROTECTION CABINET  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
AGENCY CASE NO. 2016-AH-0070**

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

vs.

**AGREED ORDER**

LIBERTY HOME EQUITY SOLUTIONS, INC. (MC22282)

RESPONDENT

\* \* \* \* \*

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

2. Liberty Home Equity Solutions, Inc. ("Respondent") is authorized to do business in Kentucky as a mortgage company licensee pursuant to KRS Chapter 286.8, with an office located at 10951 White Rock Road, Suite 200, Rancho Cordova, California 95670. Respondent's license number is MC22282. (ICIE# 361289).

3. DFI conducted an examination of the Respondent on October 28, 2015, and discovered that the licensee collected total net income in excess of the fee limit imposed by KRS Chapter 286.8-125 on 11 retail loans. The examination also revealed that Respondent, while acting in its capacity as a wholesale mortgage lender, allowed third party originators (mortgage brokers) to collect total net income in excess of the fee limit imposed by KRS Chapter 286.8-125 on 16 loans.

4. During the examination process, DFI also discovered that Respondent failed to keep correct and complete copies of its business transactions in violation of KRS Chapter 286.8-170(1).

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

6. In this case, DFI assessed a civil penalty against Respondent in the amount of Thirty Two Thousand Dollars (\$32,000.00) for violating KRS 286.8.

7. 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 Thirty Two Thousand Dollars (\$32,000.00) for the violation(s) described herein;

b. Respondent agrees to and shall pay the total civil penalty assessed herein of Thirty Two Thousand Dollars (\$32,000.00). The payment 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.

8. 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.

9. 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.

10. 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.

11. By signing below, Respondent acknowledges it has read the foregoing Agreed Order, knows and fully understands its contents, and that the individual signing on behalf of Respondent is authorized to enter into and execute this Agreed Order and legally bind Respondent.

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

IT IS SO ORDERED on this the 10<sup>th</sup> day of August, 2016.



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CHARLES A. VICE  
COMMISSIONER

**Consented to:**

This 8<sup>th</sup> day of August, 2016.

This 21<sup>st</sup> day of July, 2016.

Tammy R. Scruggs

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

Michael D. Kent

Authorized Representative  
Liberty Home Equity Solutions, Inc.  
License # MC22282

Michael D. Kent, President

**ACKNOWLEDGEMENT**

STATE OF California )  
 )  
COUNTY OF Sacramento )

On this the 21 day of July, 2016, before me  
James Fine, Notary Public, the undersigned,  
Michael D. Kent, did personally appear and acknowledge  
himself/herself to be the authorized representative for Liberty Home Equity Solutions, Inc.  
and that he/she, entered into and executed the foregoing instrument for the purposes  
therein contained.

My Commission Expires: 10/7/17

see attached

James Fine  
Notary Public

**CALIFORNIA ALL PURPOSE 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 Sacramento

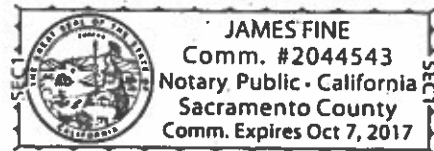
On 7/21/16 before me, James Fine, Notary Public,

personally appeared Michael D. Kent

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)

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing **Agreed Order** was sent on this the 11 day of August, 2016, by certified mail, return receipt requested, to:

Ms. Christine Schmidt  
Liberty Home Equity Solutions, Inc.  
10951 White Rock Road, Suite 200  
Rancho Cordova, California 95670

Via hand-delivery to:

Gary A. Stephens  
1025 Capital Center Drive, Suite 200  
Frankfort, Kentucky 40601

Kentucky Department of Financial Institutions

Name: Alyson E White

Title: Executive Staff Advisor