

**COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
ADMINISTRATIVE AGENCY ACTION NO. 2010-AH-057**

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

vs.

AGREED ORDER

LORI BLADES

RESPONDENT

STATEMENT OF FACTS

1. The DFI is responsible for regulating and licensing mortgage loan companies and mortgage loan brokers doing business in Kentucky in accordance with the provisions of KRS Chapter 286.8, the Mortgage Loan Company and Mortgage Loan Broker Act (the "Act").

2. Lori Blades ("Blades") is an individual residing at 8815 Jan Way Louisville, KY 40219.

3. Pursuant to the Act, the DFI conducted an examination of Blackhorse Mortgage Corporation in December 2009 to determine whether the activities of Blackhorse Mortgage Corporation were in compliance with applicable laws and regulations; whether the practices and policies of Blackhorse Mortgage Corporation had a potentially adverse impact on prospective borrowers; and whether the business was being operated efficiently, fairly, and in the public interest.

4. During the examination, the DFI discovered that Blades acted as a loan originator on behalf of Blackhorse Mortgage Corporation in June and July 2008.

5. Blades was not registered with the DFI as a mortgage loan originator in June and July 2008.

LEGAL CONCLUSIONS

6. Pursuant to KRS 286.8-030(1)(c), “it is unlawful for any natural person to transact business in Kentucky, either directly or indirectly, as a mortgage loan originator or mortgage loan processor, unless otherwise exempted, if the mortgage loan originator or mortgage loan processor is not registered in accordance with KRS 286.8-255.”

7. Pursuant to KRS 286.8-255(1), “no natural person shall transact business in Kentucky, either directly or indirectly, as a mortgage loan originator or mortgage loan processor unless such mortgage loan originator or mortgage loan processor is registered with the office and has been issued a current certificate of registration by the office, complies with all applicable requirements of this subtitle, and maintains a valid unique identifier issued by the Nationwide Mortgage Licensing System and Registry.”

8. Blades violated KRS 286.8-030(1)(c).

9. Pursuant to KRS 286.8-046(1), the Executive Director may assess a fine of not less than one thousand dollars (\$1,000) nor more than twenty-five thousand dollars (\$25,000) per violation, “plus the state’s costs and expenses for the examination, investigation, and prosecution of the matter, including reasonable attorney’s fees and court costs” against any mortgage loan company or mortgage loan broker that violates any provision of the Act or accompanying regulations.

AGREEMENT

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

- a. Blades agrees to a fine assessment in the amount of one thousand five hundred dollars (\$1,500.00) for the violation(s) described herein;
- b. Blades agrees to and shall pay the total fine assessed herein of one thousand five hundred dollars (\$1,500) in three installments of five hundred dollars (\$500). The first installment shall be paid no later than June 15, 2010, the second installment no later than July 15, 2010 and the third installment no later than August 15, 2010. The installment payments 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: Simon Berry, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601;

11. Blades waives her right to demand a hearing at which she would be entitled to legal representation, to confront and cross examine witnesses, and to present evidence on her own behalf, or to otherwise appeal or set aside this Order.

12. Blades 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.

13. In consideration of execution of this Agreed Order, Blades for herself, and for her 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 Blades 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.

14. 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.

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

IT IS SO ORDERED on this the 2nd day of June, 2010.



CHARLES A. VICE
COMMISSIONER

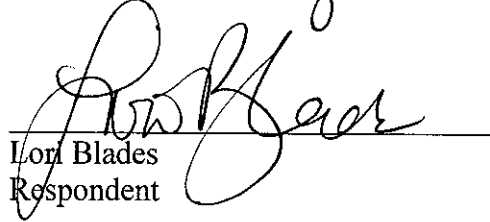
Consented to:

This 20th day of May, 2010.



Nicole Biddle, Director
Division of Nondepository Institutions
Department of Financial Institutions

This 25th day of May, 2010


Lori Blades
Respondent

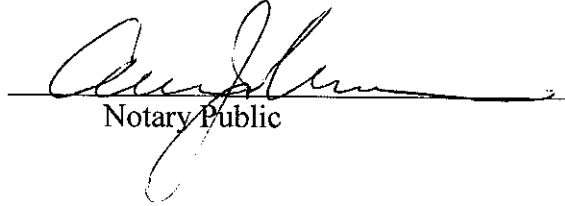
ACKNOWLEDGEMENT

STATE OF KY)
)
COUNTY OF Jefferson)

On this the 25 day of May, 2010, before me Aaron Johnson, the undersigned, **Lori Blades**, did personally appear, and that 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.

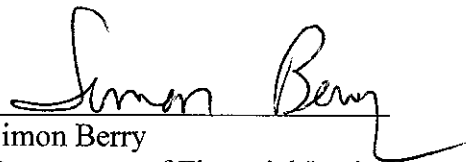
My Commission Expires: July 28, 2013


Notary Public

Certificate of Service

I hereby certify that a copy of the foregoing **Agreed Order** was sent by certified mail return receipt requested and by regular mail on this the 3rd day of June, 2010, to the following:

Lori Blades
8815 Jan Way
Louisville, KY 40219



Simon Berry
Department of Financial Institutions
1025 Capital Center Drive, Suite 200
Frankfort, Kentucky 40601
(502) 573-3390 Ext. 232
(502) 573-2183 (facsimile)