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**COMMONWEALTH OF KENTUCKY
ENVIRONMENTAL AND PUBLIC PROTECTION CABINET
OFFICE OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2006-AH- 034**

IN THE MATTER OF:
MIDWEST FINANCIAL & MORTGAGE SERVICES, INC.

SETTLEMENT AGREEMENT

BACKGROUND AND FACTUAL FINDINGS

1. Midwest Financial & Mortgage Services, Inc. ("Midwest") is licensed by the Office of Financial Institutions ("OFI") to conduct business as a mortgage loan broker. Midwest's principal office is at 3216 Dixie Highway, Erlanger, Kentucky 41018 and its mortgage loan broker license number is MB617.

2. On July 5, 2006, an examination was conducted into the condition, workings and affairs of Midwest in order to determine whether there were any violations of law or any unauthorized unsafe practices or any failure to keep or have correct any required books and records.

3. In the course of that examination it was discovered that Midwest had an individual originating mortgage loans on Kentucky properties without being registered with OFI.

4. As of July 1, 2004, no mortgage loan broker and no loan officer may originate mortgage loans in Kentucky unless they are registered with OFI and have been issued a certificate of registration.

5. Midwest's employment of an unregistered mortgage loan officer to originate loans on Kentucky properties was a violation of KRS 286.8-255 (1).

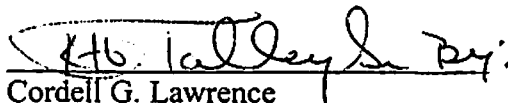
AGREEMENT AND ORDER

The Office of Financial Institutions and Midwest Financial & Mortgage Services, Inc., in the interest of economically and efficiently resolving the issues raised in the foregoing Background and Factual Findings, agree as follows:

1. Midwest Financial & Mortgage Services, Inc. agrees to pay a fine in the amount of one thousand (\$1,000) dollars, which shall be made payable to "Kentucky State Treasurer" and mailed to the Office of Financial Institutions, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601.

2. In regard to this matter, Midwest Financial & Mortgage Services, Inc. waives its right to demand a hearing, where it would be entitled to legal representation, to confront and cross examine witnesses for the Office of Financial Institutions, and to present evidence on its own behalf. Further, Midwest Financial & Mortgage Services, Inc. consents to and acknowledges the jurisdiction of the Office of Financial Institutions over this matter and that this Agreement is a matter of public record and may be disseminated as such.

IT IS SO ORDERED on this the 18th day of December, 2006.



Cordell G. Lawrence
Executive Director

Consented to:

This 18th day of December, 2006


David Coyle, Director
Division of Financial Institutions
Office of Financial Institutions

This 20th day of Oct., 2006


Keefe Montgomery, President
Midwest Financial & Mortgage
Services, Inc.