

COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2008-AH-268
ADMINISTRATIVE ACTION NO. 08-PPC-0412

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

vs.

**FINAL ORDER IMPOSING FINE AND
REQUIRING PAYMENT OF FEE BILL**

MORTGAGE APPROVAL COMPANY, LLC

RESPONDENT

Statement of Facts and Statutory Authority

1. The Department of Financial Institutions (“DFI”) is responsible for regulating and licensing mortgage loan companies and mortgage loan brokers in accordance with the provisions of KRS Chapter 286.8, the Mortgage Loan Company and Mortgage Loan Broker Act.
2. Respondent applied for and was issued a mortgage broker license by DFI for the purpose of engaging in the mortgage broker business in the Commonwealth of Kentucky at an office located at 267 Main Street, Florence, Kentucky 41042. Respondent surrendered its mortgage broker license on September 16, 2008.
3. Respondent was examined by DFI on July 1, 2008, and was issued an examination fee bill in the amount of \$693.00 which was due by October 9, 2008. Since that time, DFI has not received payment for the fee bill despite attempts to contact Respondent regarding the bill.
4. The July 1, 2008 examination reviewed the condition, workings, and affairs of Respondent’s business in order to determine whether: (1) it was in compliance

with applicable laws and regulations; (2) its practices and policies had an adverse impact on prospective borrowers; and (3) it was being operated efficiently, fairly, and in the public interest.

5. In the course of this examination it was discovered that Respondent violated KRS 286.8-030(1)(d) by employing an unregistered loan originator.
6. On November 5, 2008, DFI filed an Administrative Complaint against Respondent seeking the imposition of a \$2,500 fine against Respondent for failure to comply with the requirements of KRS Chapter 286.8 and ordering Respondent to pay its fee bill in the amount of \$693.00. DFI received proof of service of that Complaint on November 10, 2008. Respondent responded to the complaint on November 26, 2008, stating that it was insolvent.
7. On December 1, 2008, DFI issued a Notice of Administrative Hearing pertaining to the Administrative Complaint filed on November 5, 2008. The Notice of Administrative Hearing was sent to Respondent's last known address, but the Notice of Administrative Hearing was returned as "unclaimed" on December 31, 2008.
8. On December 3, 2008, an Order Assigning Case, Setting Filing Requirements, and Scheduling Prehearing Conference was filed by the Hearing Officer in this matter.
9. On December 19, 2008, a prehearing conference was held. Respondent failed to attend this conference.
10. On December 22, 2008, the Hearing Officer entered an Order Setting Response Time to Default Motion. The Order stated that DFI may file a Motion for a

Default Judgment and that Respondent shall have ten (10) days from the date on the Certificate of Service in which to file a written response to the Motion. The Order further stated that if no response is received by DFI or the Hearing Officer within the proscribed time period, the allegations in the Complaint will be accepted as true and accurate and DFI will issue a Final Order with the appropriate penalty. In accordance with this Order, DFI filed a Motion for Recommended Default Order on January 6, 2009.

11. On January 22, 2009, the hearing officer filed a Recommended Order of Default. In this order, the hearing officer found that while Respondent claimed the Complaint, the Notice of Administrative Hearing sent to the same address was returned "unclaimed" and that no Response was filed by Respondent to DFI's Motion for Recommended Default Order. The Hearing Office further observed that the "Order Assigning Case and the Order Setting Response Time to Default Motion sent by Administrative Hearings were not returned by the postal service."

Pursuant to these findings, the hearing officer held as follows:

Therefore, pursuant to KRS 13B.080(6), the Hearing Officer finds that the facts stated in the Complaint are true and accurate and that those facts state violations of the statutes as charged. Having been sufficiently advised, IT IS HEREBY RECOMMENDED that Financial Institutions shall issue an appropriate Final Order granting relief to the Department of Financial Institutions as requested in the Complaint.

12. No exceptions to the Recommended Order were filed, and the fifteen (15) day period for doing so has now expired.

Conclusions

Based on the foregoing, the commissioner determines as follows:

1. The commissioner hereby adopts, realleges, and incorporates the findings, conclusions, and statutory authority set forth above.
2. Pursuant to the above findings, conclusions, and statutory authority, the commissioner concludes that Respondent has defaulted in these proceedings by failing to participate in said proceedings. Thus, the facts stated in the Complaint are deemed to be true and accurate and DFI is entitled to the relief requested in the Complaint.

Order

THEREFORE, based upon the foregoing statement of facts, statutory authority, and conclusions, the commissioner **HEREBY ORDERS** as follows:

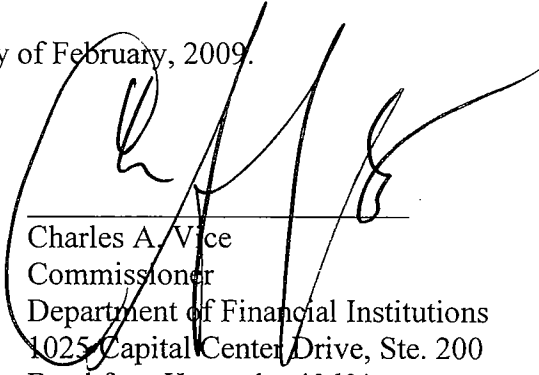
1. Respondent, **Mortgage Approval Company, LLC**, shall pay a fine in the amount of two thousand five hundred dollars (\$2,500) for violating KRS 286.8-030(1)(d) by employing an unregistered loan originator;
2. Respondent, **Mortgage Approval Company, LLC**, shall pay its fee bill incurred on July 1, 2008, in the amount of six hundred ninety-three dollars (\$693.00); and
3. This is a **FINAL ORDER**.

This **ORDER** shall become effective upon completion of service as set forth in KRS 13B.050(2).

Notice of Appeal Rights

Pursuant to KRS 13B.140, you are hereby notified that you have the right to appeal this Final Order of the Commissioner. If you choose to appeal, you must file a written Notice of Appeal with the Franklin Circuit Court within thirty (30) days after entry of this Order.

IT IS SO ORDERED on this the 9th day of February, 2009.



Charles A. Vice
Commissioner
Department of Financial Institutions
1025 Capital Center Drive, Ste. 200
Frankfort, Kentucky 40601

Certificate of Service

This is to certify that a copy of the foregoing **Final Order** was served by mailing a true and correct copy of same on this 10th day of February, 2009 to the following:

Mortgage Approval Company, LLC
ATTN: Brian Kelly
1059 Lawton Road
Park Hills, Kentucky 41011
VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Mortgage Approval Company, LLC
267 Main Street
Florence, Kentucky 41042
VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Hearing Officer Susan S. Durant
Division of Administrative Hearings
Office of the Attorney General
1024 Capital Center Drive, Suite 200
Frankfort, Kentucky 40601
VIA MESSENGER MAIL


Jessica R. Sharpe
Counsel for Complainant