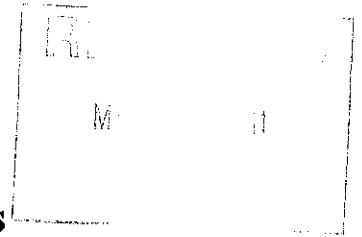


COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2011-AH-0023



DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

v.

AGREED ORDER

NEW LLC d/b/a MERIDIAN HOME LOANS; and
ROBERT W. ROSS

RESPONDENTS

* * * * *

1. The Department of Financial Institutions (“DFI”) is responsible for regulating and licensing mortgage loan brokers, mortgage loan companies, mortgage loan originators, and mortgage loan processors in accordance with the provisions set forth in KRS Chapter 286.8, the Mortgage Licensing and Regulation Act (the “Act”).

2. New LLC d/b/a Meridian Home Loans (“Respondent Meridian”) was a mortgage loan broker with a principal office located at 2804 East 55th Place, Suite E, Indianapolis, Indiana 46220. From the period of March 22, 2007 through December 21, 2008, Respondent Meridian’s principal office held a claim of exemption under KRS 286.8-020(2) to engage in business as a mortgage loan broker in Kentucky. Respondent Meridian’s Nationwide Mortgage Licensing System and Registry number is 151421.

3. Respondent Meridian has never held any license or claim of exemption to operate any branch within in Kentucky, and has never filed a written application for a claim of exemption for any location other than its principal office.

4. Thomas A. Ross was the owner, organizer, and principal managing member of Respondent Meridian. Thomas A. Ross' Nationwide Mortgage Licensing System and Registry number is 144207.

5. Robert W. Ross ("Respondent Ross") was employed by and provided services to Respondent Meridian as a mortgage loan originator. Respondent Ross held registrations under the Act as a mortgage loan originator during the period of March 27, 2007 through June 30, 2008, and has further held a registration under the Act as a mortgage loan originator from October 2, 2009 to the present. Respondent Ross' Nationwide Mortgage Licensing System and Registry number is 178808.

6. Respondent Ross held no registration or claim of exemption to act as a mortgage loan originator in Kentucky during the period of July 1, 2008 through October 1, 2009.

7. As the result of an investigation into the Respondents' activities, DFI discovered that on September 2, 2008, Thomas A. Ross and Respondent Meridian established an office in the name of "Thomas Ross and New LLC d/b/a Meridian Home Loans" located at 2210 Goldsmith Lane, Suite 221C, Louisville, Kentucky, and maintained that office in the name of Respondent Meridian through at least August 31, 2009.

8. As a further result of its investigation, DFI discovered that Thomas A. Ross established an Internet website, www.meridianusaonline.com, advertising to the public that Respondent Meridian had "branch offices in Kentucky" and other locations.

9. Also as a further result of its investigation, DFI discovered evidence that Respondent Ross acted as a mortgage loan originator on behalf of Respondent Meridian with respect to numerous Kentucky loans during the period of time in which

Respondent Ross was not registered, held no exemption from registration, and was otherwise not authorized to engage in such conduct or business.

10. Based on its investigation, DFI alleges Respondent Meridian has violated KRS 286.8-020(3), which states in relevant part that any “mortgage loan company, mortgage loan broker, or branch thereof” relying upon an exemption under subsection (2) thereof “shall file with the executive director a written application for a claim of exemption.”

11. Based in its investigation, DFI alleges that Respondent Meridian has violated KRS 286.8-030(1)(a), which makes it unlawful for any person to transact business in Kentucky, either directly or indirectly, as a mortgage loan company or mortgage loan broker unless that person is either licensed or has timely filed a completed application for a claim of exemption that has been approved by the executive director.

12. Based on its investigation, DFI alleges that Respondent Meridian violated KRS 286.8-030(1)(d), which makes it unlawful for any mortgage loan company or mortgage loan broker to employ or use a mortgage loan originator or mortgage loan processor if such person is not registered or otherwise exempted in accordance with the Act.

13. Based on its investigation, DFI alleges that Respondent Ross violated KRS 286.8-030(1)(c), which makes it unlawful for any natural person to transact business in Kentucky, either directly or indirectly, as a mortgage loan originator or mortgage loan processor unless that person is registered or otherwise exempted in accordance with the Act.

14. Based on its investigation, DFI alleges that Respondent Ross violated KRS 286.8-255(1), which states that no natural person shall transact business in Kentucky, either directly or indirectly, as a mortgage loan originator or mortgage loan processor unless such person is registered with DFI, has been issued a current certificate of registration by DFI, complies with all requirements of the subtitle, and maintains unique identifier issued by the Nationwide Mortgage Licensing System and Registry.

15. DFI possesses a range of administrative authority in addressing violations of the Act, including license revocation or denial, and/or the imposition of fines in an amount up to \$25,000 per violation. *See* KRS 286.8-046; 286.8-090.

16. In this case, DFI has assessed a fine against Respondent Meridian in the amount of five thousand dollars (\$5,000.00) for its alleged violations described herein, and has also assessed a fine against Respondent Ross in the amount of five thousand dollars (\$5,000.00) for his alleged violations described herein.

17. The Respondents do not admit the violations alleged herein, which are not adjudicated by this agreed order. However, the parties to this agreement each seek to resolve the matters set forth herein without the need for further administrative proceedings.

18. As part of the material consideration to DFI for entering this agreement, Thomas A. Ross agrees to be personally bound and responsible in his individual capacity for the terms and conditions of this Order as set forth herein with respect to Respondent Meridian, jointly and severally with Respondent Meridian.

19. In the interest of economically and efficiently resolving the allegation(s) described herein, DFI, the Respondents, and Thomas A. Ross agree as follows:

- a. Respondent Meridian and Thomas A. Ross agree to a fine in the amount of five thousand dollars (\$5,000.00) for Respondent Meridian's violation(s) alleged herein;
- b. Respondent Meridian and Thomas A. Ross agree to and shall pay the total fine assessed to the entity in ten (10) equal monthly installments of five hundred dollars (\$500.00) each, with the first installment due on the earlier of the execution of this order or March 10, 2011, and each subsequent installment due on the 10th of each calendar month thereafter until paid in full. Said payments shall each 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: Michael T. Davis, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601;
- c. Respondent Ross agrees to a fine in the amount of five thousand dollars (\$5,000.00) for his violation(s) alleged herein;
- d. Respondent Ross agrees to and shall pay the total fine assessed to him in ten (10) equal monthly installments of five hundred dollars (\$500.00) each, with the first installment due on the earlier of the execution of this order or March 10, 2011, and each subsequent installment due on the 10th of each calendar month thereafter until paid in full. Said payments shall each 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: Michael T.

Davis, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601.; and

e. Respondents shall each devote the time and resources necessary to ensure continual and full compliance with all statutory requirements set forth in the Act and the regulations set forth in 808 KAR Chapter 12.

10. Respondents and Thomas A. Ross waive the right to demand a hearing at which they would be entitled to legal representation, to confront and cross-examine witnesses, and to present evidence on their own behalves, or to otherwise appeal or set aside this Order.

11. Respondents and Thomas A. Ross consent to and acknowledge the jurisdiction of DFI over this matter and that this Agreed Order is a matter of public record and may be disseminated as such.

12. In consideration of the execution of this Agreed Order, Respondents and Thomas A. Ross for themselves, and for their successors and assigns, hereby release and forever discharge 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 Respondents ever had, now have, 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.

13. 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.

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

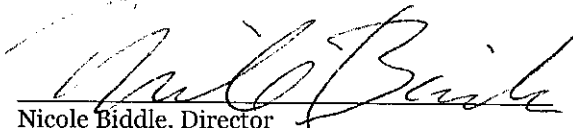
IT IS SO ORDERED on this the 8th day of March, 2011.



CHARLES A. VICE
COMMISSIONER


Consented to:

This 7th day of March, 2011.




Nicole Biddle, Director
Division of Non-Depository Institutions
Department of Financial Institutions

This 1st day of March, 2011.



Thomas A. Ross, Individually and as Authorized
Representative of Respondent, New LLC d/b/a
Meridian Home Loans

This 1st day of March, 2011.



Robert W. Ross,
Respondent


ACKNOWLEDGEMENT

STATE OF Indiana)
)
COUNTY OF Marion)

On this the 3rd day of March, 2011, before me, _____, the undersigned, **Thomas A. Ross, Individually and as Authorized Representative of New LLC d/b/a Meridian Home Loans**, did personally appear and entered into and executed the foregoing instrument for the purposes therein contained.

In witness whereof I hereunto set my hand.

My Commission Expires: 7/13/2016

[Signature]
Notary Public  Notary Public State Of Indiana
Marion County
My Commission expires: 7/13/2016


ACKNOWLEDGEMENT

STATE OF Indiana)
)
COUNTY OF Marion)

On this the 3rd day of March, 2011, before me, _____, the undersigned, **Robert W. Ross**, did personally appear and entered into and executed the foregoing instrument for the purposes therein contained.

In witness whereof I hereunto set my hand.

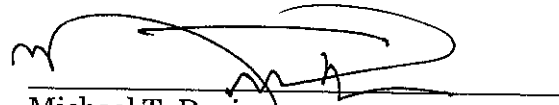
My Commission Expires: 7/13/2016

[Signature]
Notary Public  Notary Public State Of Indiana
Marion County
My Commission expires: 7/13/2016

Certificate of Service

I, Michael T. Davis, hereby certify that a copy of the foregoing **Agreed Order** was sent on this the 8th day of March, 2011, by certified mail, to the following:

Hon. Paul Hershberg
Seiller Waterman LLC
Meidinger Tower, 22nd Floor
462 S. Fourth Street
Louisville, Kentucky 40202
*Counsel for Respondents and
Thomas A. Ross*



Michael T. Davis
Department of Financial Institutions
1025 Capital Center Drive
Suite 200
Frankfort, Kentucky 40601
502-573-3390 ext. 240 (phone)
502-573-2183 (facsimile)
*Counsel for Complainant,
Department of Financial Institutions*