

COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2010-AH-051

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

v.

FINAL ORDER

PATRICK BRADBURY

RESPONDENT

* * * * *

This matter is before the Commissioner of the Department of Financial Institutions (“DFI”), pursuant to KRS 286.8-044. The Commissioner hereby enters this **Final Order** directing Patrick Bradbury (“Respondent”) to pay a **Fine** in the amount of \$1,000, pursuant to KRS Chapter 286.8.

FINDINGS OF FACTS

1. DFI is responsible for regulating and licensing mortgage loan originators in accordance with the provisions of KRS Chapter 286.8. No person shall transact business in Kentucky as a mortgage loan originator, unless that person is registered with DFI and complies with all the applicable requirements of KRS Chapter 286.8. *See* KRS 286.8-255(1); *See Also* KRS 286.8-030(1)(c).

2. As the result of an investigation, it was discovered that the Respondent acted as an unregistered mortgage loan originator for Homequest Mortgage Network, LLC.

3. By letter dated February 10, 2010, DFI notified the Respondent of the alleged violation of KRS 286.8-030 and KRS 286.8-255. The letter was sent certified mail, return receipt requested to 6208 Park Road, Crestwood, KY 40213, the Respondent’s last known

address. The letter was signed for by the Respondent and the return receipt was received by DFI on February 12, 2010.

4. The letter asked the Respondent to indicate in writing by March 3, 2010 whether he wished to settle this matter. The Respondent did not file a written response to the February 10, 2010 letter.

5. A second letter was sent via first class mail on April 5, 2010. That letter once again asked the Respondent to notify DFI in writing by April 19, 2010 if he wished to settle this matter in lieu of an administrative proceeding. The Respondent did not file a written response to the April 5, 2010 letter.

6. DFI filed an Administrative Complaint on May 19, 2010 seeking imposition of a \$1,000 fine against Respondent. The Administrative Complaint was sent via certified mail, return receipt requested, to 6208 Park Road, Crestwood, KY 40213, the Respondent's last known address. The Administrative Complaint explained that the Respondent must file an answer to the Complaint, including a request for hearing, within twenty (20) days of service. The Administrative Complaint also explained that if a request for hearing was not received within 20 days, DFI would seek a Final Order from the Commissioner granting the relief requested in the Complaint.

7. The Administrative Complaint was returned to DFI on June 24, 2010 as unclaimed.

8. More than twenty (20) days have passed and the Respondent has not timely requested an administrative hearing.

9. Based on the investigation, DFI asserts the following violations of KRS Chapter 286.8 by the Respondent:

<u>Unregistered Activity</u>	<u>Statute Violated</u>	<u>Description</u>
Unregistered loan originator	KRS 286.8-030(1)(c) and KRS 286.8-255(1)	In January and February, 2009 Respondent acted as a loan originator for Homequest Mortgage Network, LLC on a loan for borrowers Mike and Mary Albert.

STATUTORY AUTHORITY¹

10. A “mortgage loan originator” is someone who for compensation or gain or the expectation of compensation or gain:

- (a) Provides services to one (1) and not more than one (1) mortgage loan company or mortgage loan broker;
- (b) Is subject to the supervision and control of that mortgage loan company or mortgage loan broker; and
- (c) In exchange for compensation by that mortgage loan company or mortgage loan broker, performs any one (1) or more of the following acts in the mortgage lending process:
 - 1. Solicits, places, negotiates, originates, or offers to make a mortgage loan for a mortgage loan company or mortgage loan broker;
 - 2. Obtains personal and financial information from a borrower or prospective borrower;
 - 3. Assists a borrower or prospective borrower with the preparation of a mortgage loan or related documents;
 - 4. Explains, recommends, discusses, or quotes rates, terms, and

¹ The statutory references are the provisions of KRS Chapter 286.8 enacted at the time of the alleged violation.

conditions of a mortgage loan with a borrower or prospective borrower, whether or not the borrower or prospective borrower makes or completes an application; or

5. Explains any term or aspect of any disclosure or agreement given at or after the time a mortgage loan application is received.

See KRS 286.8-010(9).

11. Pursuant to KRS 286.8-255(1), "No mortgage loan originator or mortgage loan processor shall originate or process mortgage loans on residential real property in Kentucky unless such mortgage loan originator or mortgage loan processor is registered with the office and has been issued a certificate of registration by the office. The office shall maintain a database of all mortgage loan originators and mortgage loan processors originating or processing mortgage loans on residential real property in Kentucky. The office shall issue a certificate of registration to all registered mortgage loan originators and mortgage loan processors."

12. KRS 286.8-030(1)(c) makes it unlawful for a mortgage loan originator to conduct business in Kentucky if the mortgage loan originator is not registered pursuant to KRS 286.8-255.

13. Pursuant to KRS 286.090(1)(a) and (v), the Commissioner may suspend, revoke, place on probation, or issue a cease and desist order if the commissioner finds that a person has failed to comply with the requirements of KRS Chapter 286.8 or the person has violated a provision of KRS Chapter 286.8.

14. KRS 286.8-046 gives the commissioner the ability to levy a civil penalty against any person who violates provisions of KRS Chapter 286.8. The civil penalty shall not be less than one thousand dollars (\$1,000) nor more than twenty five thousand dollars (\$25,000) per violation.

CONCLUSIONS OF LAW

15. The Respondent has violated KRS 286.8-030(1)(c) and KRS 286.8-255(1) by acting as an unregistered loan originator. Respondent is subject to a fine of one thousand dollars (\$1,000).

16. The Administrative Complaint was sent via certified mail on May 19, 2010. The Administrative Complaint was returned to DFI on June 24, 2010, even though Respondent signed for the February 10, 2010 letter sent to Respondent at the same address. Respondent was required to file an Answer and request for hearing by July 14, 2010.

17. The Respondent was properly served the Complaint pursuant to KRS 286.8-044(2) by serving the Respondent via certified mail at the last known address of the Respondent. Service by certified mail is complete pursuant to KRS 286.8-044(3).

18. Respondent failed to timely respond to the Administrative Complaint or request a hearing within twenty (20) days of service. Thus, the Respondent has not perfected his appeal and his right to a hearing is waived in this matter.

ORDER

THEREFORE, based upon the foregoing Findings of Facts, Statutory Authority, and Conclusions of Law, the Commissioner **HEREBY ORDERS** that:

Patrick Bradbury shall pay a civil penalty in the amount of one thousand dollars (\$1,000.00) for violation of KRS 286.8-030(1)(c) and KRS 286.8-255(1). The check 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: Shaun T. Orme, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601.

This is a **FINAL AND APPEALABLE ORDER**. This Final Order shall become effective upon completion of service as set forth in KRS 286.8-044.

NOTICE OF APPEAL RIGHTS

Pursuant to KRS 286.8-210, you are hereby notified that you have the right to appeal this Final Order of the Commissioner. If you chose to appeal, you must file a written Notice of Appeal with the Franklin Circuit Court within sixty (60) days after entry of this Final Order. A copy of any Appeal Petition must also be served on the Commissioner.

IT IS SO ORDERED on this the 16th day of July, 2010.



CHARLES A. VICE
COMMISSIONER

Certificate of Service

I hereby certify that a copy of the foregoing **Final Order** was sent by certified mail to, return receipt requested, on this the 16 day of July, 2010 to:

Patrick Bradbury
6208 Park Road
Crestwood, KY 40213



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