

**COMMONWEALTH OF KENTUCKY  
ENVIRONMENTAL AND PUBLIC PROTECTION CABINET  
OFFICE OF FINANCIAL INSTITUTIONS  
AGENCY CASE NO. 2007AH- 238**

DEPARTMENT OF FINANCIAL INSTITUTIONS

PETITIONER

V.

PRAJNA GROUP, INC. d/b/a  
LIBERTY MORTGAGE FUNDING

RESPONDENT

**EMERGENCY ORDER OF SUSPENSION OF LICENSE**

This Emergency Order of Suspension of the license of Prajna Group, Inc., doing business in Kentucky under the assumed name of Liberty Mortgage Funding (“Liberty Mortgage”) (mortgage loan license number 19563) is issued for the following reasons:

**STATEMENT OF AUTHORITY AND FINDINGS**

1. Prajna Group, Inc. d/a Liberty Mortgage Funding is a mortgage loan company licensed to do business in Kentucky (mortgage loan license number 19563) with the Department of Financial Institutions, and having its principal place of business located at 9300 Shelbyville Road, Suite 400, Louisville, Kentucky 40222.
2. 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.
3. KRS 286.8-048 provides that the Commissioner may enter an emergency order suspending, limiting or restricting the license, claim of exemption, or registration of any mortgage loan broker, mortgage loan company, mortgage loan originator,

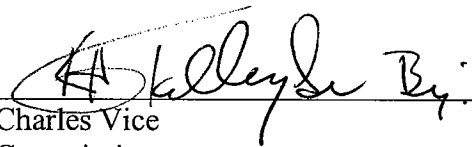
of mortgage loan processor without notice or hearing if it appears upon grounds satisfactory to the Commissioner that the mortgage loan broker, mortgage loan company, mortgage loan originator, of mortgage loan processor has engaged or is engaging in unsafe, unsound, and illegal practices that pose an imminent threat to the public interest. The statute further provides that the following circumstance shall be considered sufficient grounds for an emergency order under the statute if it appears on grounds satisfactory to the Commissioner that the mortgage loan broker or mortgage loan company is in such financial condition that it cannot continue in business with safety to its customers.

4. It has come to the attention of the Commissioner and the Department of Financial Institutions that Prajna Group, Inc. d/b/a Liberty Mortgage Funding filed Chapter 7 bankruptcy petition in the United States District Court for the Western District of Kentucky at Louisville on August 20, 2008 (Bankruptcy Petition # 08-33673) wherein it estimated that, after any exempt property is excluded and administrative expenses paid, there will be no funds available to unsecured creditors.
5. An emergency order issued under KRS 286.8-048 becomes effective when signed by the Commissioner. The order shall be delivered by personal delivery or certified mail to the last known address of the party or parties who are the subjects of the order. The order shall be deemed served upon delivery or upon return of the order and shall remain in effect until it is withdrawn or superseded by an order of the Commissioner or until it is terminated by a court order.

**ORDER**

1. On the basis of the foregoing, the Commissioner concludes that satisfactory grounds exist for the entry of an emergency order immediately suspending the mortgage broker license of Prajna Group, Inc. d/b/a Liberty Mortgage Funding. Accordingly, **IT IS HEREBY ORDERED** that the mortgage loan license of the license of Prajna Group, Inc., d/b/a Liberty Mortgage Funding (“Liberty Mortgage”) (mortgage loan license number 19563) is immediately suspended. The Respondent is directed to immediately cease all mortgage loan broker operations in Kentucky, pending further notice or order.
2. Respondent may request an emergency by filing a written request for hearing with the Commissioner within twenty (20) days of service of this emergency order. Upon receipt of a written request for emergency hearing, the Commissioner shall conduct an emergency hearing as required under KRS 13B.125, within ten (10) working days of receipt of the request for hearing,, unless the parties agree or otherwise. If no hearing is requested, then this order shall remain in effect until withdrawn or suspended by further order of the Commissioner.

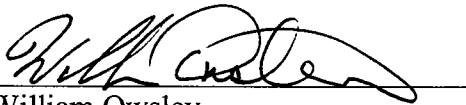
**SO ORDERED** this 8<sup>th</sup> day of September, 2008.

  
Charles Vice  
Commissioner  
Department of Financial Institutions  
1025 Capital Center Drive  
Frankfort, Kentucky 40601

**CERTIFICATE OF SERVICE**

I hereby certify that a true and accurate copy of the foregoing was served by certified mail, return receipt requested to the following on this the 5<sup>th</sup> day of September, 2008:

Robert V. Lloyd, President  
Prajna Group, Inc.  
d/b/a Liberty Mortgage Funding  
9300 Shelbyville Road  
Suite 400  
Louisville, Kentucky 40222



William Owsley  
Office of General Counsel  
Department of Financial Institutions