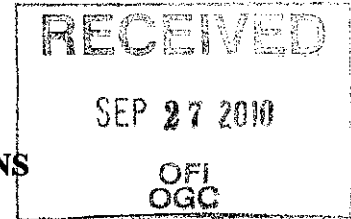


COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2010-AH-1110



DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

vs.

PRIMARY RESIDENTIAL MORTGAGE, INC.
d/b/a MAGELLAN MORTGAGE

and

ROBERT VOELLER

RESPONDENTS

AGREED ORDER

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 Loan Company and Mortgage Loan Broker Act (the “Act”).

2. Primary Residential Mortgage, Inc. (“Primary Residential”) is authorized to do business in Kentucky as a licensed mortgage loan company (MC 23752) pursuant to the Act, with its principal office located at 4750 W. Wiley Post Way, Suite 200 Salt Lake City, UT 84116. Primary Residential does business as Magellan Mortgage.

3. Robert Voeller (“Voeller”) is an individual employed by Primary Residential as a mortgage loan originator.

4. On December 7, 2009, February 3, 2010, February 8, 2010, and March 23, 2010, the DFI conducted examinations of Primary Residential's main office and branch offices located in Arizona and Alabama. As a result of these examinations DFI asserts that:

a. Primary Residential utilized, in connection with Kentucky mortgage loan originations, two (2) unregistered mortgage loan originators in 2009 and 2010;

b. Primary Residential utilized, in connection with Kentucky mortgage loan originations, nine (9) unregistered mortgage loan processors in 2009 and 2010;

c. Primary Residential originated a mortgage on a Kentucky property in January 2010, but was not licensed as a mortgage loan company in Kentucky at that time;

d. Voeller originated a mortgage loan on a Kentucky property in June 2009, but he was not registered as a mortgage loan originator at that time.

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

6. Pursuant to KRS 286.8-030(1)(d), it is "unlawful for any mortgage loan company or mortgage loan broker to use a mortgage loan originator or a mortgage loan processor if the mortgage loan originator or mortgage loan processor is not registered in accordance with KRS 286.8-255 or otherwise exempted."

7. Pursuant to KRS 286.8-030(1)(a) it is "unlawful for any person to transact business in Kentucky, either directly or indirectly, as a mortgage loan company or mortgage loan broker if the mortgage loan company or mortgage loan broker is not licensed' in accordance with the Act.

8. The DFI contends that Primary Residential violated KRS 286.8-030(1)(d) and KRS 286.8-030(1)(a).

9. Pursuant to KRS 286.8-030(1)(c), it is unlawful for any natural person to transact business in Kentucky, either directly or indirectly, as a mortgage loan originator or mortgage loan processor, unless otherwise exempted, if the mortgage loan originator or mortgage loan processor is not registered in accordance with KRS 286.8-255.”

10. Pursuant to KRS 286.8-255(1), “no natural person shall transact business in Kentucky, either directly or indirectly, as a mortgage loan originator or mortgage loan processor unless such mortgage loan originator or mortgage loan processor is registered with the office and has been issued a current certificate of registration by the office, complies with all applicable requirements of this subtitle, and maintains a valid unique identifier issued by the Nationwide Mortgage Licensing System and Registry.”

11. The DFI contends that Voeller violated KRS 286.8-030(1)(c).

AGREEMENT

12. In the interest of economically and efficiently resolving the alleged violation(s) described herein, and without admission or denial of the DFI’s allegations by the Respondents, the DFI, Primary Residential, and Voeller agree as follows.

a. Primary Residential agrees to a fine assessment in the amount of eighteen thousand five hundred dollars (\$18,500.00);

b. Voeller agrees to a fine assessment in the amount of one thousand dollars (\$1,000.00);

c. Primary Residential agrees to and shall pay the total fine assessed herein of nineteen thousand five hundred dollars (\$19,500) no later than September 30, 2010 which 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: Simon Berry, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601;

d. Primary Residential agrees to register with the DFI all individuals who originate and/or process mortgage loans on Kentucky properties on its behalf; and

e. Primary Residential shall 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.

13. Primary Residential and Voeller (collectively "Respondents") respectively waive their 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 behalf, or to otherwise appeal or set aside this Order.

14. The Respondents, respectively, consent to and acknowledge the jurisdiction of the DFI over this matter and that this Agreed Order is a matter of public record and may be disseminated as such.

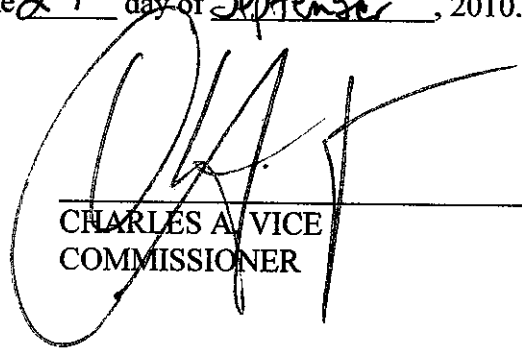
15. In consideration of execution of this Agreed Order, the Respondents for themselves and for their successors and assigns, hereby release and forever discharge the Commonwealth of Kentucky, the DFI, Office of Legal Services, and each of their members, agents, and employees in their individual capacities, 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 the 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.

16. 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.

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

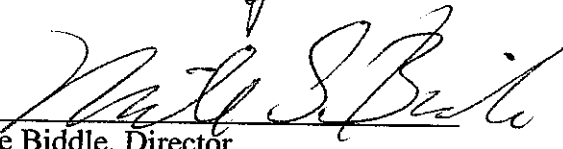
IT IS SO ORDERED on this the 27th day of September, 2010.



CHARLES A. VICE
COMMISSIONER


Consented to:

This 17th day of September 2010.




Nicole Biddle, Director
Division of Nondepository Institutions
Department of Financial Institutions

This 24th day of SEPTEMBER 2010.



H. Burton Embry, Vice President
Primary Residential Mortgage, Inc.

This 24th day of September 2010

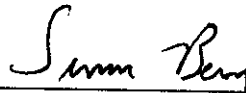


Robert Voeller

Certificate of Service

I, Simon Berry, hereby certify that a copy of the foregoing **Agreed Order** was sent on this the 29th day of September, 2010, by certified mail, return receipt requested, to the following:

Primary Residential Mortgage, Inc.
Attn: Burton Embry
4750 W. Wiley Post Way, Suite 200
Salt Lake City, UT 84116



Simon Berry
Department of Financial Institutions
1025 Capital Center Drive
Suite 200
Frankfort, Kentucky 40601
502-573-3390 ext. 232 (phone)
502-573-2183 (facsimile)

Counsel for Complainant