

**COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2009-AH-80
ADMINISTRATIVE ACTION NO. 09-PPC-0308**

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

v.

AGREED ORDER

QUALITY 1ST LENDING, LLC

RESPONDENT

* * * * *

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. Quality 1st Lending, LLC (“Quality”) was authorized to do business in Kentucky as a HUD exempt mortgage loan broker pursuant to the Act, with its principal office located at 28423 Orchard Lake Road, #209, Farmington Hills, MI 48334.
3. During an examination, DFI discovered that Quality had utilized an unregistered loan officer to originate mortgage loans during the 2008 calendar year in violation of KRS 286.8-030, which prohibits a mortgage loan broker from employing or using a loan officer who is not registered in accordance with KRS 286.8-255.
4. 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.

5. In this case, DFI has assessed a fine against Quality in the amount of one thousand dollars (\$1,000.00) for utilizing an unregistered loan officer to originate Kentucky loans, in violation of KRS 286.8-030.

6. Quality does not admit to the alleged violation and is entering into this matter in lieu of going forward with the administrative hearing.

7. In the interest of economically and efficiently resolving the violation(s) described herein, DFI and Quality agree as follows:

a. Quality agrees to a fine assessment in the amount of one thousand dollars (\$1,000.00) for the violation(s) described herein;

b. Quality agrees to and shall pay the total fine assessed herein of one thousand dollars (\$1,000) prior to the entry of this Order, 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: Shaun T. Orme, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601;

c. Quality shall not apply to DFI for any license or exemption required under KRS Chapter 286.8 to practice in the mortgage lending process in Kentucky for a period of not less than one (1) year from the date of entry of this Agreed Order. Quality may apply for licensure or exempt status after such time; however, Quality understands that DFI is under no obligation to grant such a license or exemption, either conditionally or not.

8. Quality waives its right to demand a hearing at which it would be entitled to legal representation, to confront and cross examine witnesses, and to present evidence on its own behalf, or to otherwise appeal or set aside this Order.

9. Quality consents to and acknowledges the jurisdiction of DFI over this matter and that this Agreed Order is a matter of public record and may be disseminated as such.

10. In consideration of execution of this Agreed Order, Quality for itself, and for its successors and assigns, hereby releases and forever discharges 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 Quality ever had, now has, 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.

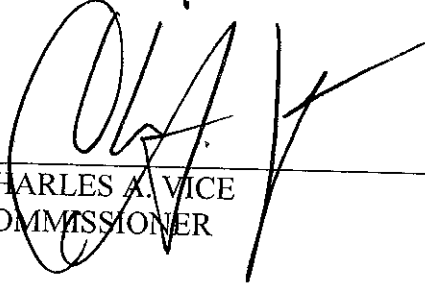
11. In consideration of execution of this Agreed Order, the Commonwealth of Kentucky, DFI, and Office of Legal Services, for themselves, and for their successors and assigns, hereby release Quality 1st Lending, LLC, and each of its members, agents, and employees in their individual capacities, from any and all manner of actions, causes of action, suits, debts, judgments, executions, claims and demands whatsoever, known and unknown, in law or in equity, that the Commonwealth of Kentucky, DFI, and the Office of Legal Services ever had, now has, 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.

12. 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.

13. All claims against Quality 1st Lending, LLC are hereby DISMISSED WITH PREJUDICE, as related to the issues addressed in this Agreed Order.

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

IT IS SO ORDERED on this the 21st day of April, 2010.




CHARLES A. VICE
COMMISSIONER

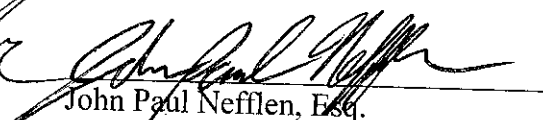
Consented to:

This 1st day of April, 2010.

This 12th day of April, 2010.



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



John Paul Nefflen, Esq.
Authorized Representative
Quality 1st Lending, LLC

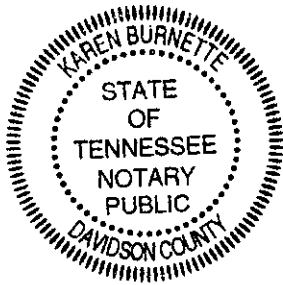
ACKNOWLEDGEMENT

STATE OF Tennessee)
COUNTY OF Davidson)

On this the 12 day of April, ~~2009~~ ²⁰¹⁰, before me Karen Burnette the undersigned, **John Paul Nefflen**, did personally appear and acknowledge himself to be the Counsel of Quality 1st Lending, LLC, and that he, being authorized to do so, entered into and executed the foregoing instrument for the purposes therein contained.

In witness whereof I hereunto set my hand.

My Commission Expires: 11/7/12



Karen Burnette
Notary Public

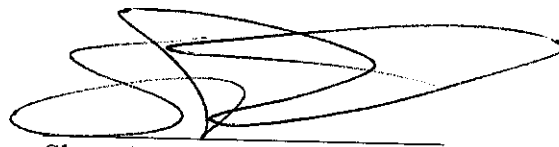
Certificate of Service

I, Shaun T. Orme, hereby certify that a copy of the foregoing **Agreed Order** was sent on this the 22nd day of April, 2010, by certified mail, to the following:

John Paul Nefflin, Esq.
Dickinson Wright, PLLC
424 Church Street, Ste. 1401
Nashville, TN 37219-2392

I further certify that a copy of the foregoing **Agreed Order** was sent on this the 22nd day of April, 2010, by messenger mail, to the following:

Hon. Michael Head
Hearing Officer
Administrative Hearings Branch
Office of the Attorney General
1024 Capital Center Drive
Frankfort, Kentucky 40601



Shaun T. Orme
Department of Financial Institutions
1025 Capital Center Drive
Suite 200
Frankfort, Kentucky 40601
502-573-3390 ext. 282 (phone)
502-573-2183 (facsimile)