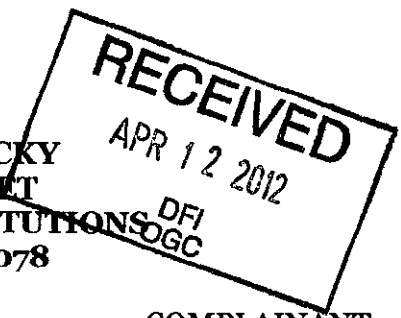


COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2012-AH-0078



DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

v.

AGREED ORDER

RACHEL D. CALVERT

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 Licensing and Regulation Act (the “Act”).

2. Rachel D. Calvert (“Respondent”) was, at all relevant times herein, employed as a mortgage loan originator by Smith Broady & Associates, Inc. (“Smith Broady”), a mortgage loan company broker to conduct such business in Kentucky pursuant to the Act. Respondent’s Nationwide Mortgage Licensing System and Registry (“NMLS”) number is 174026.

3. However, Respondent is not and has not been registered in Kentucky as a mortgage loan originator pursuant to the Act and is not otherwise authorized to engage in such business in Kentucky.

4. On October 14, 2011, the DFI entered an Agreed Order with Respondent, in Agency Case No. 2011-AH-0169, to resolve a September 2010 violation by Respondent of KRS 286.8-030(1)(c) and KRS 286.8-255(1), which prohibit a natural person from transacting business, either directly or indirectly, as a mortgage loan originator or mortgage loan processor unless the individual is registered in accordance with KRS 286.8-255.

5. Pursuant to the October 14, 2011 Agreed Order, Respondent was ordered to pay a fine for transacting business as an unregistered mortgage loan originator, and ordered to thereafter 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.

6. On November 15, 2011, the DFI began investigation into new allegations that Respondent engaged in other unregistered activity as an originator while employed by Smith Broady. As a result of this investigation, the DFI confirmed that Respondent did in fact transact business as an unregistered mortgage loan originator during the additional period of July 2011 through at least November 14, 2011, which is one (1) month after the entry of the Agreed Order. This activity was therefore in violation of not only KRS 286.8-030(1)(c) and KRS 286.8-255(1) but also the October 14, 2011 Agreed Order.

7. In addition, during the course of its investigation, the DFI determined that Respondent made false or misleading statements to its investigators during her interview over the matter, in violation of KRS 286.8-220(2)(b), which makes it unlawful for any person, in connection with a transaction involving the mortgage lending process, to engage in any act, practice, or course of business that operates or would operate as a fraud or deceit upon any person.

8. Moreover, the DFI discovered during the course of its investigation that on February 8, 2012, Respondent made false and misleading disclosures on her NMLS&R MU4 disclosures by falsely stating that a state financial regulatory authority had never found her to have been involved in a violation of a financial services related business regulation or statute, and had not entered an order against her in connection with a

financial services-related activity. These acts were in violation of KRS 286.8-220(1), which makes it unlawful for any person to make or cause to be made, in any document filed with the DFI, a governmental agency, the NMLS&R or any other proceeding any statement that is false or misleading in any material respect, including an omission of a material fact; and KRS 286.8-220(2)(h), which makes it unlawful to fail to make disclosures required by the Act or any other applicable state or federal law or regulation.

9. The 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.

10. In this case, the DFI has assessed a fine against Respondent in the amount of two thousand, five hundred dollars (\$2,500.00) for engaging in the violations described herein.

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

- a. Respondent agrees to and shall pay a fine in the amount of two thousand, five hundred dollars (\$2,500.00);
- b. Respondent agrees to and shall pay the total fine assessed herein in five (5) equal monthly installment payments of five hundred dollars (\$500.00) each, the first of which shall be due on the date Respondent executes the Agreed Order and returns it to the DFI, but in no event later than April 9, 2012. Each subsequent installment shall be due and paid by no later than the 10th of each month thereafter until paid in full. Said payments 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: Michael T. Davis, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601; and

- c. Respondent 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.

7. Respondent waives her right to demand a hearing at which she would be entitled to legal representation, to confront and cross-examine witnesses, and to present evidence on her own behalf, or to otherwise appeal or set aside this Order.

8. Respondent consents to and acknowledges 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.

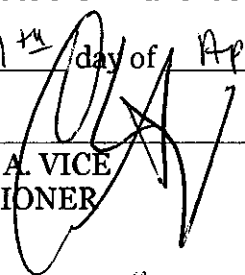
9. In consideration of execution of this Agreed Order, Respondent for herself, and for her successors and assigns, hereby releases and forever discharges the Commonwealth of Kentucky, the DFI, Office of Legal Services, and each of their members, agents, and employees in their individual capacities, from 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 Respondent 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.

10. 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.

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

IT IS SO ORDERED on this the 11th day of April, 2012.

CHARLES A. VICE
COMMISSIONER



Consented to:

This 11th day of April, 2012.

N. Chris Thompson

N. Chris Thompson, Acting Director
Division of Non-Depository Institutions
Department of Financial Institutions

This 11 day of April, 2012.

Rachel D. Calvert

Rachel D. Calvert

ACKNOWLEDGEMENT

STATE OF Indiana)

COUNTY OF Clark)

On this the 11 day of April, 2012, before me Rachel D. Calvert, the undersigned, Rachel D. Calvert, did personally appear and entered into and executed the foregoing instrument for the purposes therein contained.

In witness whereof I hereunto set my hand.

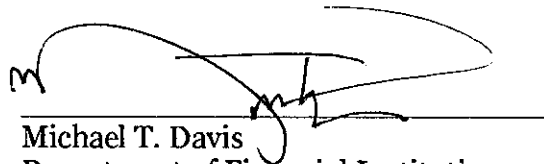
My Commission Expires: 2-01-2014

James S. Bradley
Notary Public

Certificate of Service

I, Michael T. Davis, hereby certify that a copy of the foregoing **Agreed Order** was sent on this the 16th day of April, 2012, by certified mail, to the following:

Rachel D. Calvert
6319 Sky Crest Court
Charlestown, Indiana 47111

A handwritten signature in black ink, appearing to read 'Michael T. Davis', is written over a horizontal line. The signature is stylized and includes a large, sweeping flourish that extends to the left and then loops back to the right.

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)