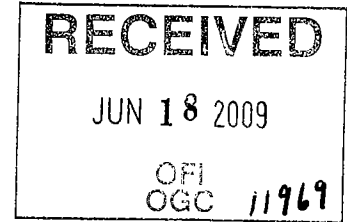


COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2009-AH- 038

IN THE MATTER OF:
RED ROSE MORTGAGE, LLC

SETTLEMENT AGREEMENT



BACKGROUND AND FACTUAL FINDINGS

1. Red Rose Mortgage, LLC ("Red Rose") is licensed by the Department of Financial Institutions ("DFI") to conduct the business of a mortgage loan broker at 1221 Garvin Place, Louisville, Kentucky 40203 under mortgage loan broker license number MB11425.
2. On September 3, 2008, an examination was conducted into the condition, workings and affairs of Red Rose in order to determine whether there were any violations of law or any unauthorized unsafe practices or any failure to keep or have correct any required books and records.
3. During the course of the examination it was discovered that Red Rose had failed to retain copies of all loan documents, and failed to maintain a list of all closed and turned down loans.
4. On a prior examination on December 11, 2006, Red Rose was cited for failure to maintain all required records and disclosures. Red Rose provided assurances on February 19, 2007, that corrective measures would be taken to preclude the occurrence of similar violations in the future.
5. Every mortgage loan company and mortgage loan broker is required to

“make and keep such accounts, correspondence, memoranda, papers, books, data, and other records as the commissioner prescribes, or that are required by federal law.” Red Rose’s failure to maintain final documents, including a copy of the signed HUD-1 settlement statement, in the closed loan files was a violation of KRS 286.8-160(1).

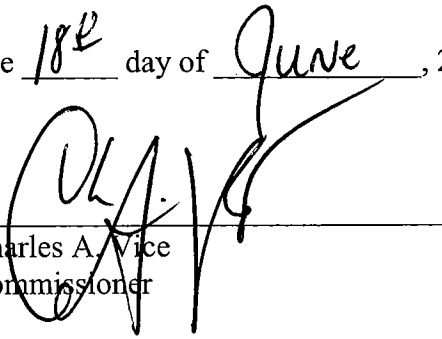
6. Every mortgage loan company and mortgage loan broker is required to keep at its principal office “complete records of all business transactions.” Red Rose’s failure to produce a detailed closed loan list prior to the examination was a violation of KRS 286.8-170(1).

AGREEMENT AND ORDER

Red Rose and DFI, in the interest of economically and efficiently resolving the issues raised in the foregoing Background and Factual Findings agree as follows:

1. Red Rose agrees to pay a fine in the amount of one thousand (\$1,000) dollars.
2. The fine shall be made payable to “Kentucky State Treasurer” in the form of a cashier’s check or money order and mailed to the attention of Sally Mooney, Department of Financial Institutions, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601.
3. The parties below acknowledge they are authorized to execute this Order and legally bind their respective parties.
4. Red Rose agrees that by entering into this Agreement it waives its right to a hearing, at which Red Rose would be entitled to be represented by counsel, to confront and cross examine witnesses for DFI, and to present evidence on its own behalf. Red Rose further agrees and acknowledges the jurisdiction of DFI over this matter and that this Agreement is a matter of public record and may be disseminated as such.


IT IS SO ORDERED on this the 18th day of June, 2009.



Charles A. Vice
Commissioner

Consented to:

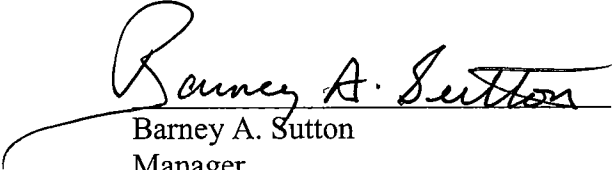
This 10th day of June, 2009



Kathy Stewart, Director
Division of Financial Institutions
Department of Financial Institutions

Consented to:

This 17 day of June, 2009



Barney A. Sutton
Manager
Red Rose Mortgage, LLC