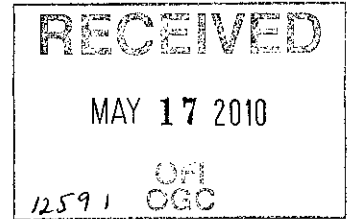


COMMONWEALTH OF KENTUCKY  
PUBLIC PROTECTION CABINET  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
AGENCY CASE NO. 2008-AH-269  
ADMINISTRATIVE ACTION NO. 09-PPC-0011



DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

vs.

**FINAL ORDER**  
**REVOKING REGISTRATION**

SCOTT A. ALEXANDER

RESPONDENT

**Background**

On November 6, 2008, the Department of Financial Institutions (“DFI”) issued an Administrative Complaint against the Respondent, Scott Alexander, seeking to revoke his registration as a mortgage loan originator and to assess a fine against him in the amount of five thousand dollars (\$5000). Mr. Alexander was subsequently charged with a felony in Kenton District Court on charges directly related to the allegations in the Administrative Complaint. Due to concerns regarding Mr. Alexander’s constitutional rights, the parties agreed to hold the matter in abeyance pending resolution of the felony case and an Agreed Order of Suspension of his Registration as a Mortgage Loan Originator was entered on May 1, 2009. On August 3, 2009, Mr. Alexander entered a plea of guilty to the charge of Forgery in the Second Degree, a class D felony, in Kenton Circuit Court case number 09-CR-00374. On September 2, 2009, the Kenton Circuit Court placed Mr. Alexander on Pretrial Diversion for a period of three years. This Agreed Order is entered pursuant to KRS 286.8-090(1) and is based on the following factual findings, which Mr. Alexander, without admitting or denying, agrees constitute the basis for the Administrative Complaint and for this Agreed Order:

### **Statement of Facts**

1. The Department of Financial Institutions (“DFI”) is responsible for regulating, licensing, and registering mortgage loan companies, mortgage loan brokers, and loan originators in accordance with the provisions of KRS Chapter 286.8, the Mortgage Loan Company and Mortgage Loan Broker Act.

2. Mr. Alexander was registered with DFI as a mortgage broker-originator pursuant to KRS 286.8-255 since May 13, 2008 until his registration was suspended by agreement on May 1, 2009.

3. Pursuant to a complaint filed with DFI on May 10, 2008, an investigation was conducted to determine whether Mr. Alexander engaged in fraudulent and deceptive practices. As a result of the investigation, an Administrative Complaint was brought against Mr. Alexander seeking to revoke his registration and to assess a fine against him in the amount of five thousand dollars (\$5000).

4. Mr. Alexander worked as a loan originator for Sierra Home Loans, LLC from February 2007 to February 2008, without being properly registered with DFI.

5. In August 2007 Mr. Alexander engaged in deceptive practices by willfully misstating the terms of a sales agreement on a sales contract between Thomas Landscaping Construction, Inc. and borrowers, Richard and Glenda Neiheisel.

6. Mr. Alexander engaged in deceptive practices by using the misstated sales agreement to procure a credit approval letter on September 14, 2007 for Richard and Glenda Neihiesel that was later withdrawn due to misstatements in the sales agreement.

7. In attempting to procure a loan for the Neihesels, Mr. Alexander acted incompetently by failing to disclose to the Neiheisals that they were unlikely to obtain a

conforming loan with monthly payments in their stated price range of \$1,000 to \$1,200 and in failing to provide or refer the Neiheisels to credit counseling in a timely manner.

8. Mr. Alexander acted incompetently by arranging a loan contract with terms unfavorable to and not desired by the borrower, Dorothy Heisler.

9. On September 4, 2007, Mr. Alexander engaged in fraudulent and deceptive practices by fraudulently inducing Ms. Heisler to give him \$3,200 of the proceeds she received from her August 2007 refinance in order to pay her property taxes, even though the taxes had been paid at closing. Mr. Alexander falsely told Ms. Heisler that the taxes were not paid at closing and that he could pay the taxes at a discount if Ms. Heisler gave Mr. Alexander \$3,220. Based on Mr. Alexander's false statements, Ms. Heisler gave Mr. Alexander the money.

10. Mr. Alexander engaged in fraudulent and deceptive practices in September 2007, by fraudulently inducing Ms. Heisler to give him an additional \$5,000 of the proceeds from the refinance. Mr. Alexander falsely told Ms. Heisler that the \$5,000 was an "investment" into the construction of a new home, and that Ms. Heisler would be able to "double" her money upon completion of the project when, in fact, no such project or construction of a new home ever existed.

11. When questioned by Ms. Heisler about her \$5,000 investment, Mr. Alexander engaged in fraudulent and deceptive practices by forging a sales agreement between Thomas Landscaping and Construction, Inc. and himself, and provided the forged document to Ms. Heisler as proof that the project was in progress, when in fact no such project existed.

**Statutory Authority**

1. Pursuant to KRS 286.8-255(6), all mortgage loan brokers and loan officers originating loans in Kentucky shall be subject to KRS 286.8-090(1)(a),(g) and (n), KRS 286.8-220(2), and KRS 286.8-990.

2. Pursuant to KRS 286.8-220(2)(a) and (b), it is unlawful for any regulated person, in connection with the operation of a mortgage loan business or the management or servicing of mortgage contracts, directly or indirectly, to employ a device, scheme, or artifice to defraud, or to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

3. Pursuant to KRS 286.8-090(1)(a),(g) and (n), if the commissioner finds that a mortgage loan broker or loan originator has failed to comply with the requirements of KRS 286.8, has made any misrepresentations or false statements to, or concealed any essential or material fact from, any person in the course of acting as a mortgage loan broker or engaged in a course of business which has worked or tended to work a fraud upon any person, or has demonstrated incompetence or untrustworthiness to act as a licensee or registrant, the commissioner may revoke the registration of the broker or loan originator.

### **Agreement and Conclusions**

The Department of Financial Institutions and Scott Alexander, through counsel, in the interest of economically and efficiently resolving the issues raised in the foregoing Background and Factual Findings, agree as follows:

1. Both parties agree, and the Commissioner so finds, that there is sufficient evidence for a hearing officer to find that Scott Alexander violated the provisions of KRS

286.8 set forth herein, and thus, his registration is subject to being revoked pursuant to KRS 286.8-090.

2. DFI shall waive the fine associated with the violations of KRS 286.8 set forth herein.

3. In the event that he meets the statutory requirements, Scott Alexander may reapply for a certificate of registration as a mortgage loan originator with DFI.

4. In regard to this matter, Scott Alexander waives his right to a hearing where he would be entitled to legal representation, to confront and cross examine witnesses for the Department of Financial Institutions, and to present evidence on his own behalf. Further, Scott Alexander consents to and acknowledges the jurisdiction of the Department of Financial Institutions over this matter and that this Agreement and Order is a matter of public record and may be disseminated as such.

5. In regard to this matter, Scott Alexander acknowledges the finality of this order and waives any and all rights to appeal.

#### **Order**

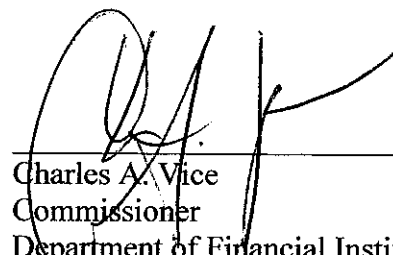
**THEREFORE**, based upon the foregoing statement of facts, statutory authority, agreement and conclusions, the commissioner **HEREBY ORDERS** as follows:

1. The registration of Scott Alexander as a loan originator is hereby **REVOKED**.

2. This is a **FINAL ORDER**.

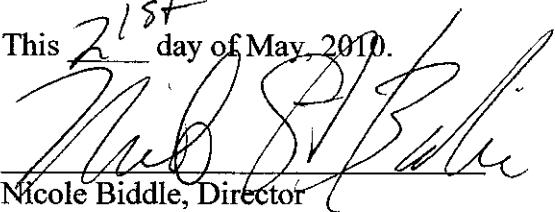
3. This **ORDER** shall become effective upon execution by all parties.

**IT IS SO ORDERED** on this the 28 day of May, 2010.

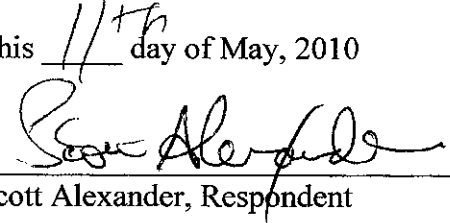


Charles A. Vice  
Commissioner  
Department of Financial Institutions  
1025 Capital Center Drive, Ste. 200  
Frankfort, Kentucky 40601

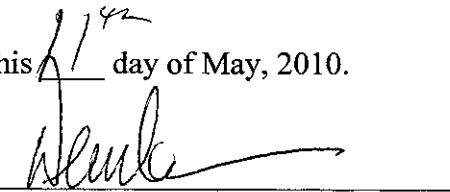
**Consented to by:**

This 21<sup>st</sup> day of May, 2010.  


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

This 11<sup>th</sup> day of May, 2010  


Scott Alexander, Respondent

This 11<sup>th</sup> day of May, 2010.  


Dean A. Pisacano  
Attorney for Mr. Alexander

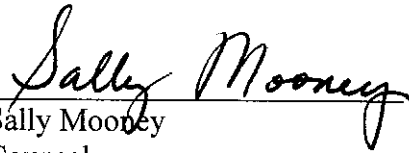
## CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing **Final Order Revoking Registration** was served by mailing a true and correct copy of same on this the 1st day of June, 2010 to the following:

Mr. Dean A Pisacano, Esq.  
214 East Fourth Street  
Covington, Kentucky 41011  
Attorney for Mr. Alexander

and, by messenger mail, to:

Hon. Susan Durant  
Hearing Officer  
Division of Administrative Hearings  
Office of the Attorney General  
1024 Capital Center Drive, Suite 200  
Frankfort, Kentucky 40601

  
Sally Mooney  
Counsel  
Department of Financial Institutions