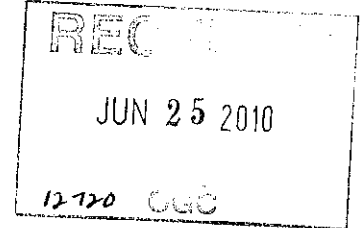


**COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION AND REGULATION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2010-AH-022**

IN THE MATTER OF:
SECURITY NATIONAL MORTGAGE COMPANY
d/b/a SOUTHERN SECURITY MORTGAGE COMPANY



AGREED ORDER

BACKGROUND AND FACTUAL FINDINGS

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

2. Security National Mortgage Company dba Southern Security Mortgage Company (“Security National”) is licensed with the Department to engage in the mortgage loan business at its principal office located at 5300 South 360 West, Suite 250, Salt Lake City, Utah under mortgage company license MC20852.

3. On September 29, 2009, an examiner from the Department conducted an examination of the principal office of Security National in Salt Lake City, Utah. The examiner discovered that Security National had closed loans or rejected loans on Kentucky properties at four unlicensed locations in Phoenix, Arizona, Lake Mary, Florida, Overland Park, Kansas, and Parkway Cary, North Carolina.

4. The examination also uncovered three loans which were funded by Security National and which were originated in Kentucky by an unlicensed mortgage loan broker,

Loanology, LLC, and three unregistered loan originators, Katie Fillman, Steve Williams, and Casey Christiansen.

STATUTORY AUTHORITY

5 Pursuant to KRS 286.8-100(1) “No licensee shall establish or maintain a branch transacting business in Kentucky, either directly or indirectly, without filing the application as described in KRS 286.8-032(5) and receiving prior written approval of the executive director.”

6. Pursuant to KRS 286.8-020(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 requirements of this subtitle, unless that person is exempt under KRS 286.8-020 and, if required by KRS 286.8-020(3) has timely filed a completed application for a claim of exemption, and the filed application for a claim of exemption has been approved by the executive director... (d) It is unlawful for any mortgage loan company or mortgage loan broker to employ or 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...(e) It is unlawful for any mortgage loan company to employ or use, with or without compensation, a mortgage loan broker if the mortgage loan broker is not licensed in accordance with the requirements of this subtitle unless that person is exempt under KRS 286.8-020 and, if required by KRS 286.8-020(3), has timely filed a completed application for a claim of exemption, and the filed application for a claim of exemption has been approved by the executive director.”

7. KRS 286.8-046 provides: “The executive director may levy a civil penalty against any person who violates any provision of or any administrative regulation under

this subtitle or order issued by the executive director under this subtitle. The civil penalty shall be not less than one thousand dollars (\$1,000) nor more than twenty-five thousand dollars (\$25,000) per violation...”

AGREEMENT AND ORDER

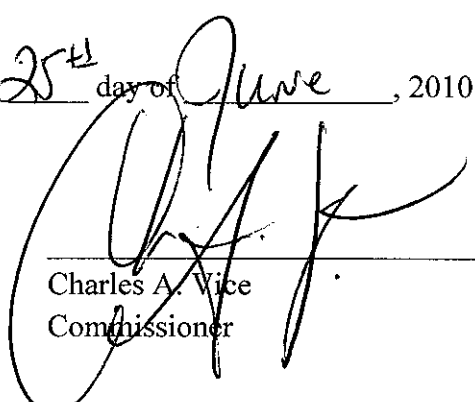
In the interest of economically and efficiently resolving the allegations of violations of law described in the foregoing Background and Factual Findings, Security National and the Department agree as follows:

1. Security National agrees to pay a fine in the amount of eighteen thousand dollars (\$18,000).

2. Security National agrees that by entering into this Agreement it waives its right to a hearing at which Security National would be entitled to be represented by counsel, to confront and cross-examine witnesses for the Department, and to present evidence on its own behalf. Security National further agrees and acknowledges the jurisdiction of the Department over this matter and that this Agreement is a matter of public record.

3. Security National agrees that the individual signing below on behalf of Security National is authorized to execute this Order and to legally bind Security National.

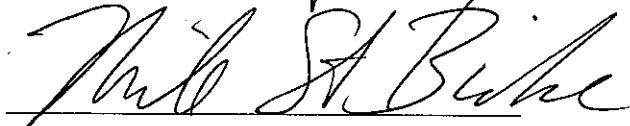
IT IS SO ORDERED on this the 25th day of June, 2010.



Charles A. Vice
Commissioner


Consented to:

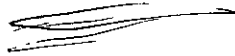
This 13th day of April, 2010



Nicole Biddle, Director
Division of Non-Depository Institutions

This 23 day of June, 2010

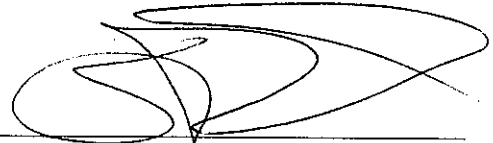


Security National Mortgage Company,
Counsel

Certificate of Service

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

Ken Par
Vice President
Security National Mortgage Company
360 West 5300 South Suite 150
Murray, UT 84123



Shaun T. Orme
Assistant General Counsel
Department of Financial Institutions
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Frankfort, KY 40601
(502) 573-3390, ext. 282