

COMMONWEALTH OF KENTUCKY  
PUBLIC PROTECTION CABINET  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
AGENCY CASE NO. 2017-AH-00073

ENTERED  
DEC 05 2017  
10:10AM AEE  
COMMISSIONERS OFFICE

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

vs.

STEADFAST MORTGAGE COMPANY, LLC (MB321717); and  
DANIEL RYAN SHULTS (MC93104)

RESPONDENTS

**AGREED ORDER**

\* \* \* \* \*

1. The Department of Financial Institutions (“DFI”) is responsible for regulating and licensing entities engaged in mortgage brokering, origination, and processing in accordance with the provisions set forth in KRS Chapter 286.8 (the “Act”).

2. Respondent Steadfast Mortgage Company, LLC (“Steadfast”) is authorized to do business in Kentucky as a mortgage broker licensee pursuant to KRS Chapter 286.8, with an office located at 6401 Dutchmans Parkway, Louisville, Kentucky 40205. Steadfast’s license number is MB321717. (ICIE# 384819)

3. Respondent Daniel Ryan Shults (“Shults”) is the owner of Steadfast Mortgage Company, LLC, and is licensed as a mortgage loan originator in Kentucky pursuant to KRS Chapter 286.8. Mr. Shults has a mailing address of 149 North Canterbury Glen Drive, Mount Washington, Kentucky 40047, and his license number is MC93104.

4. In February 2017, DFI became aware of a website operated by Steadfast, which had an address of <http://www.qualifybg.com> (“QualifyBG”). This website was used to advertise

mortgage loans directly to consumers with the tag line “Easiest Approval App in Warren County.” Shults was listed on the website as a Mortgage Expert, but neither his NMLS number, nor his affiliation with Steadfast were provided. Additionally, the website did not mention a licensed mortgage company, mortgage broker, or a registered mortgage loan officer.

5. DFI conducted an investigation into the QualifyBG website and Steadfast. In the course of this investigation, DFI determined that Steadfast’s conduct related to the QualifyBG website was in violation of several provisions of KRS Chapter 286.8, which are detailed herein.

6. The investigation revealed that Respondents failed to employ sufficient institutional controls to ensure that Mr. Shults’ advertising activities were in compliance with applicable law and regulations, in violation of KRS 286.8-295.

7. The investigation also revealed that Respondents failed to produce information about the QualifyBG website to the DFI during DFI’s most recent examination of Steadfast in August, 2016, in violation of KRS 286.8-170(3).

8. The investigation also determined that the QualifyBG website appeared to present QualifyBG as a mortgage broker/lending company, while QualifyBG was not registered through NMLS or licensed by the DFI to engage in this business, in violation of KRS 286.8-030(1)(a).

9. The investigation also revealed that the QualifyBG website made material omissions in advertising mortgage loans to consumers in violation of KRS 286.8-220 and 286.8-255(12).

10. DFI possesses a range of administrative authority in addressing violations of the Act, including license revocation or denial, suspension or the imposition of civil penalties. *See* KRS 286.8-046 and 286.8-090.

11. In this case, DFI assessed a civil penalty against Respondent Steadfast in the amount of Two Thousand Dollars (\$2,000.00), as well as a civil penalty against Respondent Shults in the amount of One Thousand Dollars (\$1,000.00) for the violations set forth herein.

12. In the interest of economically and efficiently resolving the violations described herein, and without Respondents admitting or denying the statements of fact and legal conclusions herein, DFI and Respondents agree as follows:

a. Respondent Steadfast agrees to a civil penalty assessment of Two Thousand Dollars (\$2,000.00) for violating KRS Chapter 286.8;

b. Respondent Shults agrees to a civil penalty assessment of One Thousand Dollars (\$1,000.00) for violating KRS Chapter 286.8;

c. Respondents agree to and shall pay the total civil penalty assessed herein, which shall be due upon entry of the Agreed Order. The payment 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: Non-Depository Division – Agreed Order, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601;

d. Respondents shall devote the time and resources necessary to ensure continual and full compliance with all statutory requirements set forth in KRS Chapter 286.8. Additionally, Respondents shall either (1) take any and all necessary steps to bring the QualifyBG website into compliance with all applicable laws and regulations, or (2) shut down the QualifyBG website, effective immediately, until such a time as it can be made to be compliant with all applicable laws and regulations.

13. Respondents waive their right to demand a hearing at which they would be entitled to legal representation, to confront and cross-examine witnesses, and to present evidence on their own behalf, or to otherwise appeal or set aside this Order.

14. Respondents consent 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.

15. In consideration of execution of this Agreed Order, Respondents for themselves, and for their 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 Respondents 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.

16. By signing below, Respondents acknowledge they have read the foregoing Agreed Order, know and fully understands its contents, and that the individual signing on behalf of each Respondent is authorized to enter into and execute this Agreed Order and legally bind the party they are signing for.

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

IT IS SO ORDERED on this the 5<sup>th</sup> day of December, 2017.

  
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CHARLES A. VICE  
COMMISSIONER



**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing **Agreed Order** was sent on this the 5  
day of December 2017, by certified mail, return receipt requested, to:

Mr. Daniel Shults  
c/o Steadfast Mortgage Company, LLC  
6401 Dutchman's Parkway  
Louisville, Kentucky 40205

Via hand-delivery to:

Stuart D. Michael  
1025 Capital Center Drive, Suite 200  
Frankfort, Kentucky 40601

Kentucky Department of Financial Institutions

Name: Allison Evans

Title: Executive Staff Advisor