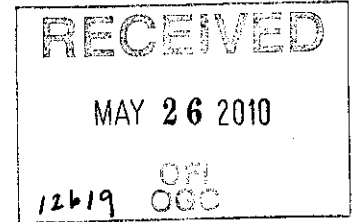


COMMONWEALTH OF KENTUCKY  
PUBLIC PROTECTION CABINET  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
AGENCY CASE NO. 2010-AH-045



DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

vs.

WALDEN MORTGAGE GROUP, INC.

RESPONDENT

**AGREED ORDER**

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 Loan Company and Mortgage Loan Broker Act (the “Act”).

2. Walden Mortgage Group, Inc. (“Walden”) is authorized to do business in Kentucky as a mortgage loan broker (MB 23721) in accordance with the Act, with its principal place of business located at 3609 Walden Drive, Lexington, Kentucky, 40517.

3. During a November 2009 examination, the DFI determined that the Walden employed one (1) unregistered loan processor in violation of KRS §286.030(1)(d).

4. The DFI possesses a range of administrative authority in addressing violations of the Act, including license revocation or denial, the imposition of fines in an amount up to \$25,000 per violation, and the recovery of reasonable attorney fees and court costs. *See* KRS §286.8-046; §286.8-090.

5. In the interest of economically and efficiently resolving the violations described herein, the DFI and Walden agree as follows:

a. The Respondent agrees to pay a fine assessment in the amount of one thousand dollars (\$1,000.00) in regard to the matters recited herein;

b. Walden agrees to and shall pay the total fine assessed herein prior to the entry of this Agreed Order, which 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: Christine Lewis, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601;

c. Walden agrees to refrain from originating any mortgage loans on Kentucky residential properties through the use of any mortgage loan processor who is not licensed to perform mortgage loan processing duties in Kentucky; and

d. Walden agrees to 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. Walden agrees that by entering into this Agreed Order, it waives its right to a hearing at which the Respondent would be entitled to be represented by counsel, to confront and cross-examine witnesses for the DFI, and to present evidence on its own behalf. Walden further agrees and acknowledges the jurisdiction of the DFI over this matter.

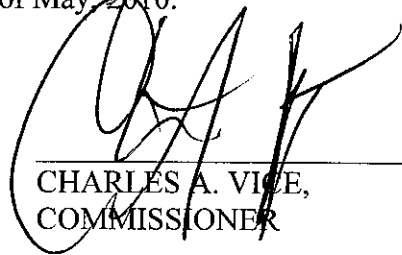
7. In consideration of execution of this Agreed Order, Walden, for itself and its successors and assigns, hereby releases and forever discharges the Commonwealth of Kentucky, the DFI, the Office of Legal Services, and each of their members, agents, and employees in their individual capacities, from any and all manner of actions, causes of action, suits, debts, judgments, executions, claims and demands whatsoever, known and unknown, in law or equity, that the 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.

8. By signing below, the parties acknowledge that 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. Walden acknowledges and represents that the individual signing this Agreed Order on its behalf is authorized to execute this Agreed Order and to legally bind it.

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

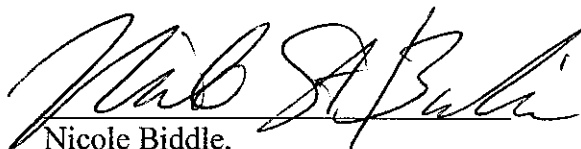
**IT IS SO ORDERED** on the 28 day of May, 2010.

  
\_\_\_\_\_  
CHARLES A. VICE,  
COMMISSIONER

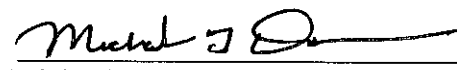
**Consented To:**

This 18<sup>th</sup> day of May, 2010.

This 25<sup>th</sup> day of May, 2010.

  
\_\_\_\_\_  
Nicole Biddle,  
Director, Non-Depository Division  
Department of Financial Institutions

WALDEN MORTGAGE GROUP, INC.

  
\_\_\_\_\_  
Michael T. Dunn  
Vice President  
Walden Mortgage Group, Inc.

**ACKNOWLEDGEMENT**

STATE OF KENTUCKY     )  
  ) ss  
COUNTY OF FAYETTE    )

On this 25<sup>th</sup> day of May, 2010, before me, Catherine R Warner the undersigned, Michael T. Dunn, in his capacity as Vice President of Walden Mortgage Group, Inc., did personally appear and acknowledge himself that he, being authorized to do so, entered into and executed the foregoing instrument for the purposes therein contained.

In witness whereof I have hereunto set my hand.

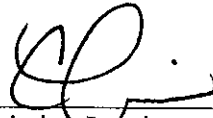
My Commission Expires: October 2, 2011.

Catherine R Warner  
Notary Public

**Certificate of Service**

I, Christine Lewis, hereby certify that a copy of the foregoing **Agreed Order** was sent on the 1 day of June, 2010, by certified mail, return receipt requested, to the following:

Michael T. Dunn  
Vice President  
Walden Mortgage Group, Inc.  
3609 Walden Drive  
Lexington, Kentucky 40517



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Christine Lewis  
Department of Financial Institutions  
1025 Capital Center Drive  
Suite 200  
Frankfort, Kentucky 40601  
502-573-3390 x240 (phone)  
502-573-2183 (facsimile)  
Counsel for Complainant