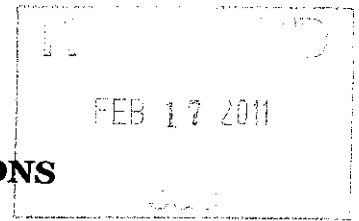


**COMMONWEALTH OF KENTUCKY  
PUBLIC PROTECTION CABINET  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
AGENCY CASE NO. 2011-AH-0016**



DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

vs.

AVELO MORTGAGE, LLC

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. Avelo Mortgage, LLC (“Respondent”) is a mortgage loan company authorized to do business in Kentucky pursuant to the Act, with its principal office located at 250 East John Carpenter Freeway, Irving, Texas 75062. Its license number is MC18654.

3. DFI conducted an examination of Respondent on August 4, 2010. During the examination, DFI discovered that Respondent had funded certain loans originated by mortgage loan brokers who had employed loan originators who were not registered pursuant to the Act, in violation of KRS 286.8-030(1)(d) and (e), which make it unlawful for any mortgage loan company to employ or use a mortgage loan originator that is not registered in compliance with the provisions of KRS 286.8-255 and the Act.

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

5. In this case, DFI has proposed an assessment of twelve thousand, five hundred dollars (\$12,500.00) against the Respondent for the alleged violations described above.

6. Respondent does not admit to the violations of KRS 286.8-255, and asserts that its actions were neither willful nor intentional, but Respondent is entering into this Agreed Order in lieu of proceeding with a formal hearing on the issues that comprise this matter.

7. In the interest of economically and efficiently resolving the violation(s) described herein, DFI and the Respondent agree as follows:

- a. Respondent agrees to pay an assessment in the amount of twelve thousand, five hundred dollars (\$12,500.00) for the alleged violation(s) described herein; and
- b. Respondent agrees to and shall pay the total assessed herein in a single installment payment of twelve thousand, five hundred dollars (\$12,500.00), which shall be due on the date Respondent signs the Agreed Order and returns it to DFI. Said 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: Michael T. Davis, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601.

8. Respondent waives its rights to demand a hearing at which it would be entitled to legal representation, to confront and cross examine witnesses, and to present evidence on its behalf, or to otherwise appeal or set aside this Order.

9. Respondent consents 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.

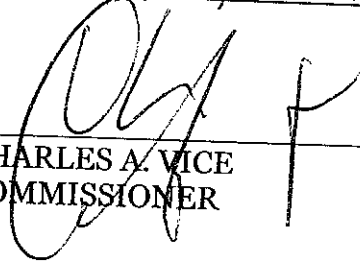
10. In consideration of execution of this Agreed Order, Respondent for itself and for its successors and assigns, hereby releases and forever discharges the Commonwealth of Kentucky, DFI, Office of Legal Services, and each of their members, agents, and employees in their individual capacities, from any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

11. In consideration of the execution of this Agreed Order, the Commonwealth of Kentucky and the Department of Financial Institutions agree that all matters, issues and/or assessments arising from the above-referenced August 4, 2010 examination of Respondent are addressed and resolved herein, and that said examination shall be considered closed.

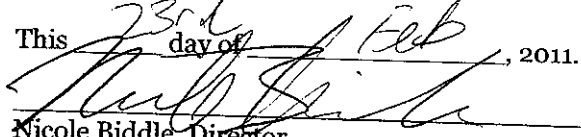
12. By signing below, the parties acknowledge they have read the foregoing Agreed Order, know and fully understand its contents, and that they are authorized to enter into and execute this Agreed Order and legally bind their respective parties.

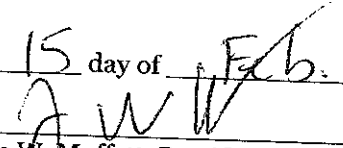
13. This Agreed Order shall constitute the Final Order in this matter.

IT IS SO ORDERED on this the 27<sup>th</sup> day of February, 2011.

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

**Consented to:**

This 23<sup>rd</sup> day of Feb, 2011.  
  
\_\_\_\_\_  
Nicole Biddle, Director  
Division of Non-Depository Institutions  
Department of Financial Institutions

This 15 day of Feb., 2011.  
  
\_\_\_\_\_  
James W. Moffett, President,  
Authorized Agent of  
Respondent, Avelo Mortgage, LLC

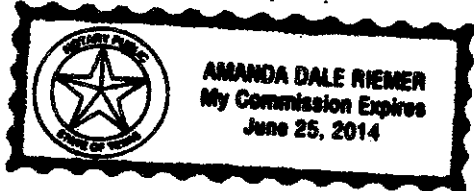
ACKNOWLEDGEMENT

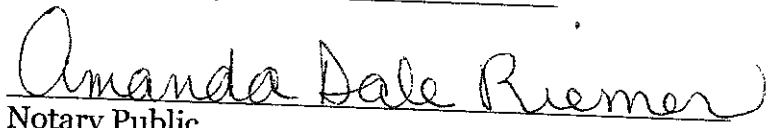
STATE OF Texas )  
COUNTY OF Dallas )

On this the 15 day of February, 2011, before me Amanda Dale Riemer, the undersigned, James W. Moffett, as **authorized representative of Avelo Mortgage, LLC**, did personally appear and enter into and execute the foregoing instrument for the purposes therein contained.

In witness whereof I hereunto set my hand.

My Commission Expires: June 25, 2014

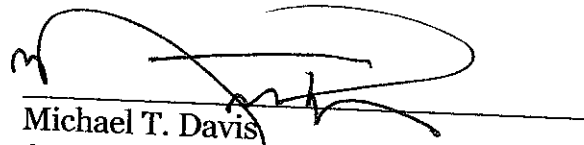


  
\_\_\_\_\_  
Notary Public

**Certificate of Service**

I, Michael T. Davis, hereby certify that a copy of the foregoing **Agreed Order** was sent on this the 23<sup>rd</sup> day of February, 2011, by certified mail, to the following:

Hon. Costas A. Avrakotos  
K & L Gates LLP  
1601 K Street, NW  
Washington, D.C. 20006-1600  
Costas.Avrakotos@klgates.com  
*Counsel for Respondent*



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Department of Financial Institutions  
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502-573-2183 (facsimile)  
*Counsel for Complainant*