

COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2012-AH-0012

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

v.

AGREED ORDER

CMCO MORTGAGE, LLC
d/b/a HOME LENDING SOURCE

RESPONDENT

* * * * *

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 Licensing and Regulation Act (the “Act”).

2. CMCO Mortgage, LLC d/b/a Home Lending Source (“Respondent”) is and was, at all times relevant herein, a mortgage loan company licensed to conduct such business in Kentucky. Respondent’s principal office and last known address is 7851 Freeway Circle, Middleburg Heights, Ohio 44130. Respondent’s Nationwide Mortgage Licensing System and Registry (“NMLSR”) number is 119287.

3. Respondent operates a licensed branch office located at 10507 Timberwood Circle, Suite 100, Louisville, Kentucky 40223, the license number for which branch is MC73940 and the NMLSR number for which is 399370.

4. During an examination of Respondent’s branch office on September 28, the DFI discovered that between March and September 2011, Respondent employed or used the services of a mortgage loan originator who was not only unregistered to engage in such business but who had also been previously denied registration by the DFI to engage in such conduct. This conduct was in violation of KRS 286.8-030(1)(d), which

prohibits a mortgage loan company from employing or using a mortgage loan originator or a mortgage loan processor who is not registered in accordance with KRS 286.8-255, as well as KRS 286.9-090(1)(m), which authorizes the Commissioner to suspend or revoke the license of any person who has employed or contracted with a person who has had a license or registration denied in this Commonwealth or any other state.

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

6. In this case, the DFI has assessed a fine against Respondent in the amount of ten thousand dollars (\$10,000.00) for the violation(s) described herein.

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

- a. Respondent agrees to a fine assessment in the amount of ten thousand dollars (\$10,000.00) for the violation(s) described herein;
- b. Respondent agrees to and shall pay the total fine assessed herein in two (2) equal installment payments of five thousand dollars (\$5,000.00) each, the first of which shall be due on the date Respondent signs the Agreed Order and returns it to the DFI, but in no event later than February 27, 2012. The second installment shall be due by no later than April 1, 2012. Said payments 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; and

c. Respondent shall 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.

7. Respondent waives its right 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 own behalf, or to otherwise appeal or set aside this Order.

8. Respondent consents to and acknowledges the jurisdiction of the DFI over this matter and that this Agreed Order is a matter of public record and may be disseminated as such.

9. 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, the 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 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.

10. 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.

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

IT IS SO ORDERED on this the 27th day of February, 2012.

[Signature]
CHARLES A. VICE
COMMISSIONER

Consented to:

This 23 day of February, 2012

[Signature]
Nicole Biddle, Director
Division of Non-Depository Institutions
Department of Financial Institutions

This 20 day of February, 2012 7/2/20/12

[Signature]
Fred Portnoy, EVP of
Respondent CMCO Mortgage, LLC d/b/a
Home Lending Source

ACKNOWLEDGEMENT

STATE OF Florida)
COUNTY OF Broward)

On this the 20 day of February, 2012, before me Candice Elliott, the undersigned, Fred Portnoy, Executive Vice President and authorized representative of CMCO Mortgage, LLC d/b/a Home Lending Source, did personally appear and entered into and executed the foregoing instrument for the purposes therein contained.

In witness whereof I hereunto set my hand.

My Commission Expires: 9/13/2015

[Signature]
Notary Public

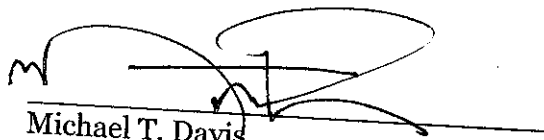


Candice Elliott
COMM. NO. 246261
EXPIRES: 09/13/15
WWW.AAFCNOTARY.COM

Certificate of Service

I, Michael T. Davis, hereby certify that a copy of the foregoing **Agreed Order** was sent on this the 27th day of February, 2012, by certified mail, to the following:

CMCO Mortgage, LLC d/b/a Home Lending Source
Attn: Sharon Guy
2701 W. Oakland Park Boulevard, Suite 101
Oakland Park, Florida 33111
Respondent



Michael T. Davis
Department of Financial Institutions
1025 Capital Center Drive
Suite 200
Frankfort, Kentucky 40601
502-573-3390 ext. 240 (phone)
502-573-2183 (facsimile)
Counsel for Complainant