

**COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2010-AH-1072**

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

vs.

PEOPLES HOME EQUITY, 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. Peoples Home Equity (“Respondent”) has a branch office authorized to do business in Kentucky as a mortgage company pursuant to the Act, with the office located at 4965 U.S. Highway 42, Suite 1000, Louisville, KY 40222. The license number is MC24176.

3. DFI conducted an examination of Respondent on October 19, 2009. During the examination, DFI discovered that Respondent had potentially utilized two (2) unregistered loan originators to originate mortgage loans in Kentucky in violation of KRS 286.8-030 and that Respondent had utilized an unlicensed location to conduct mortgage loan business, in violation of KRS 286.8-100.

4. 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. *See* KRS 286.8-046; 286.8-090.

5. In this case, DFI assessed a fine against Respondent in the amount of eleven thousand five hundred dollars (\$11,500.00) for utilizing unregistered loan originators to originate Kentucky loans and operating an unlicensed branch office.

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

a. Respondent agrees to a fine assessment in the amount of eleven thousand five hundred dollars (\$11,500.00) for the violation(s) described herein;

b. Respondent agrees to and shall pay the total fine assessed herein of eleven thousand five hundred dollars (\$11,500.00) prior to the entry of this 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: Shaun T. Orme, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601;

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 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, 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 July, 2010.



CHARLES A. VICE
COMMISSIONER

Consented to:

This 12th day of July, 2010.

This 22nd day of July, 2010.

Nicole S. Biddle
Nicole S. Biddle, Director
Division of Non-Depository Institutions
Department of Financial Institutions

Rebecca Gonzalez
Rebecca Gonzalez
Authorized Representative
Peoples Home Equity, Inc.

ACKNOWLEDGEMENT

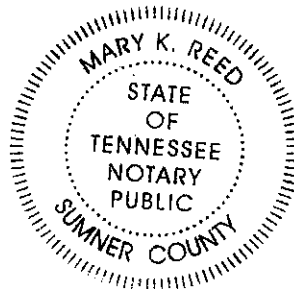
STATE OF Tennessee)
COUNTY OF Williamson)

On this the 22 day of July, 2010, before me Mary K Reed, the undersigned, **Rebecca Gonzalez**, did personally appear and acknowledge herself to be the authorized representative of Peoples Home Equity, Inc. and that she, being authorized to do so, entered into and executed the foregoing instrument for the purposes therein contained.

In witness whereof I hereunto set my hand.

My Commission Expires: 2/23/11

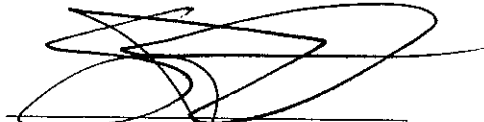
Mary K Reed
Notary Public



Certificate of Service

I, Shaun T. Orme, hereby certify that a copy of the foregoing **Agreed Order** was sent on this the 28th day of July, 2010, by certified mail, return receipt requested, to the following:

Rebecca Gonzalez
Quality Control Manager
Peoples Home Equity, Inc.
213 Ward Circle, Ste. 201
Brentwood, TN 37027



Shaun T. Orme
Department of Financial Institutions
1025 Capital Center Drive
Suite 200
Frankfort, Kentucky 40601
502-573-3390 ext. 282 (phone)
502-573-2183 (facsimile)

Counsel for Complainant