

**COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2009-AH-011**

IN THE MATTER OF:
PRIMARY RESIDENTIAL MORTGAGE, INC.
D/B/A MAGELLAN MORTGAGE GROUP
AND PRMI FUNDING

AGREED ORDER

BACKGROUND AND FACTUAL FINDINGS

1. Primary Residential Mortgage, Inc. d/b/a Magellan Mortgage Group and PRMI Funding (“Primary Residential Mortgage”) was authorized to do business in Kentucky as a mortgage loan broker or mortgage loan company under a KRS 286.8-020(2) claim of exemption. Primary Residential Mortgage subsequently applied for licensure with the Department of Financial Institutions (“DFI”) as a mortgage loan company whose principal office is located at 4750 West Wiley Post Way, Suite 200, Salt Lake City, Utah 85116.

2. In July 2008, DFI was notified by Primary Residential Mortgage that it was closing a branch located at 120 East Reynolds Road, Lexington, Kentucky 40517. This branch was never registered with DFI in violation of KRS 286.8-020(3) and KRS 286.8-100.

3. In November 2008, DFI completed an investigation of Primary Residential Mortgage’s activities at its former branch location of 316 East Court Avenue, Jeffersonville, Indiana. Pursuant to this investigation, it was discovered that Primary Residential Mortgage violated KRS 286.8-030 and KRS 286.8-090 by employing an unregistered loan originator.

AGREEMENT AND ORDER

The Department of Financial Institutions and Primary Residential Mortgage, in the interest of economically and efficiently resolving the violations described in the foregoing Background and Factual Findings, agree as follows:

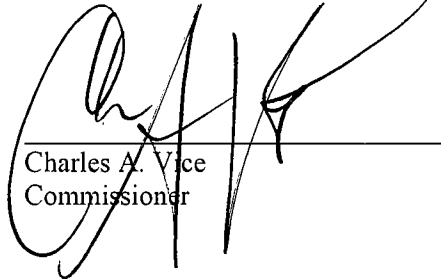
1. Primary Residential Mortgage agrees to pay a fine in the amount of seven thousand five hundred dollars (\$7,500) for the violations set forth above, which shall be in the form of a certified check or money order made payable to "Kentucky State Treasurer" and mailed to the Department of Financial Institutions, Attn: Jessica Sharpe, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601 prior to the entry of this Order.

2. Primary Residential Mortgage shall devote the time and resources necessary to ensure continual and full compliance with all statutory requirements set forth in KRS Chapter 286.8 and the regulations set forth in 808 KAR Chapter 12.

3. In regard to this matter, Primary Residential Mortgage waives its right to demand a hearing, at which Primary Residential Mortgage would be entitled to legal representation, to confront and cross examine witnesses for the Department of Financial Institutions, and to present evidence on its own behalf, or to otherwise appeal or set aside this Order. Further, Primary Residential Mortgage consents to and acknowledges the jurisdiction of the Department of Financial Institutions over this matter and that this Agreement is a matter of public record and may be disseminated as such.

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

IT IS SO ORDERED on this the 6th day of March, 2009.

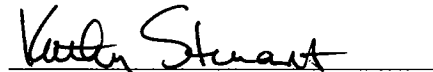


Charles A. Vice
Commissioner

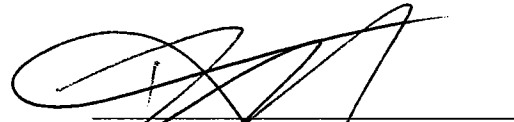
Agreed to:

This 6th day of March, 2009.

This 27 day of Feb, 2009.



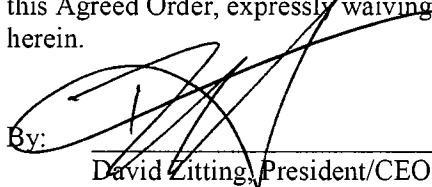
Kathy Stewart, Director
Division of Financial Institutions
Department of Financial Institutions



David Zitting
President / CEO
Primary Residential Mortgage, Inc.

STATEMENT OF AUTHORIZATION

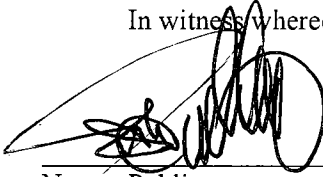
I, **David Zitting**, state on behalf of Primary Residential Mortgage, Inc., that I have read the foregoing Agreed Order; that I know and fully understand its contents; that I am an officer authorized to enter into and execute this Agreed Order on behalf of Primary Residential Mortgage, Inc., that Primary Residential Mortgage, Inc., agrees freely and without threat of coercion of any kind to comply with the terms and conditions stated herein; and that Primary Residential Mortgage, Inc., voluntarily agrees to enter into this Agreed Order, expressly waiving any right to a hearing on the matters described herein.

By: 
David Zitting, President/CEO
Primary Residential Mortgage, Inc.

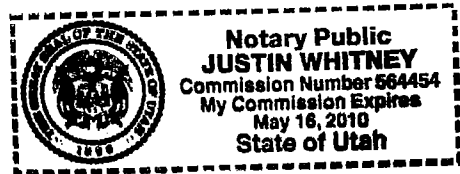
STATE OF Utah)
)
COUNTY OF Salt Lake)

On this the 27 day of Feb, 2009, before me Justin Whitney, the undersigned officer, **David Zitting**, did personally appear and acknowledge himself to be an officer of Primary Residential Mortgage, Inc., and that he, 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.



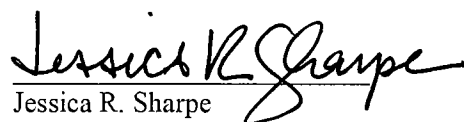
Notary Public
Date Commission Expires: 05/16/2010



Certificate of Service

I, Jessica R. Sharpe, hereby certify that a copy of the foregoing **Agreed Order** was sent on this the 9th day of March, 2009 by certified mail, return receipt requested, to the following:

Primary Residential Mortgage, Inc.
ATTN: Carla Wallentine
4750 West Wiley Post Way, Suite 200
Salt Lake City, Utah 84116


Jessica R. Sharpe
Counsel
Department of Financial Institutions
1025 Capital Center Drive
Frankfort, Kentucky 40601
(502) 573-3390