COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2009-AH-044

DEPARTMENT OF FINANCIAL INSTITUTIONS — COMPLAINANT

vs.

AFI FINANCIAL, 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. AFI Financial, Inc. ("AFI") is authorized to do business in Kentucky as a licensed mortgage loan broker pursuant to the Act, with its principal office located at 23400 Michigan Avenue, Suite 1202, Dearborn, Michigan, 48124.

3. During an examination, DFI discovered that AFI had utilized one (1) unregistered loan officer to originate mortgage loans during the 2008 calendar year in violation of KRS §286.8-030 which prohibits a mortgage loan broker from employing or using a loan officer who is not registered in accordance with KRS §286.8-255.

4. The Department 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, the Department assessed a fine against AFI in the amount of two thousand five hundred dollars ($2,500.00) for utilizing an unregistered loan officer to originate Kentucky loans in violation of KRS §286.8-030.

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

a. AFI agrees to a fine assessment in the amount of two thousand five hundred dollars ($2,500.00) for the violation(s) described herein;

b. AFI agrees to and shall pay the total fine assessed herein of two thousand five hundred dollars ($2,500.00) 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: Christine Lewis, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601;

c. AFI agrees to register with DFI all individuals who originate mortgage loans on Kentucky properties on its behalf; and

d. AFI 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. AFI 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. AFI 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, AFI 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 AFI 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 10th day of September, 2009.

CHARLES A. VICE
COMMISSIONER

Consented to:

This 8 day of September, 2009.

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

This 8th day of August, 2009.

John Defrancisco
AFI Financial, Inc.

ACKNOWLEDGEMENT

STATE OF Florida)
)
COUNTY OF Palm Beach)

On this the 14th day of August, 2009, before me Angela Frazier, the undersigned, **John Defrancisco**, did personally appear and acknowledge himself to be the President of AFI Financial, 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.

My Commission Expires:

ANGELA SIM FRAZIER
MY COMMISSION # DD837249
EXPIRES November 12, 2012
(407) 398-0153 FloridaNotaryService.com

Angela Sim Frazier
Notary Public

Certificate of Service

I, Christine Lewis, hereby certify that a copy of the foregoing **Agreed Order** was sent on this the 11 day of September, 2009, by certified mail, return receipt requested, to the following:

John Defrancisco
AFI Financial, Inc.
23400 Michigan Avenue
Suite 1202
Dearborn, Michigan 48124

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