COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION AND REGULATION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2009-AH-72

OCT 28 2009
12157

IN THE MATTER OF:
FIRST LIBERTY FINANCIAL GROUP, LLC

AGREED ORDER

BACKGROUND AND FACTUAL FINDINGS

1. The Department of Financial Institutions ("DFI") is responsible for regulating and licensing mortgage loan companies and mortgage loan brokers doing business in Kentucky in accordance with the provisions of KRS Chapter 286.8, the Mortgage Loan Company and Mortgage Loan Broker Act (the "Act").

2. Pursuant to KRS 286.8-020(2)(a), First Liberty Financial Group, LLC ("First Liberty") holds an exemption from the Department of Financial Institutions ("DFI"), authorizing it to engage in the mortgage loan business in Kentucky at its principal office located at 3000 Alvey Park Drive, Suite 9, Owensboro, Kentucky 42303.

3. First Liberty has also been conducting mortgage business at other locations in Kentucky, namely 115 S. Hubbards Lane, Louisville; 1043 Pedigo Way, Suite 30, Bowling Green; 2525 Nelson Miller Parkway, Louisville; and 444 Lewis Hargett Circle, Suite 180, Lexington.

4. With the exception of the principal office, the offices where First Liberty has been conducting mortgage business are neither licensed nor exempt from licensing, in violation of Kentucky law.

STATUTORY AUTHORITY

4. Pursuant to KRS 286.8-020(3), " Any nonprofit organization, mortgage loan company, mortgage loan broker, or branch thereof relying upon an exemption under subsection (1)(h) or (2)(a) or (b) of this section shall file with the executive director [now commissioner] a written application for an exemption...."

5. Pursuant to KRS 286.8-046 "The executive director [now commissioner] may levy a civil penalty against any person who violates any provision of or any administrative regulation promulgated under this subtitle or order issued by the executive director under this subtitle. The civil penalty shall be not less than one thousand dollars ($1,000) nor more than twenty-five thousand dollars ($25,000) per violation, plus the state's costs and expenses for the examination, investigation, and prosecution of the matter, including reasonable attorney's fees and court costs."

AGREEMENT AND ORDER

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

1. For the violations of operating unapproved and unlicensed branch offices, First Liberty agrees to pay a fine in the amount of twenty thousand dollars ($20,000), which shall be made payable, by cashier's check or money order, to the "Kentucky State Treasurer" and mailed to the Department of Financial Institutions, Attn: Sally Mooney, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601.

2. First Liberty agrees to apply for approval from DFI for a branch license or, if it qualifies, for an exemption from licensing in order to operate any branch office in Kentucky.

3. First Liberty agrees that the individual signing this Agreed Order on behalf of First Liberty is authorized to execute this Order and to legally bind First Liberty.

4. First Liberty agrees that by entering into this Agreement it waives its right to a hearing at which First Liberty would be entitled to be represented by counsel, to confront and cross-examine witnesses for DFI, and to present evidence on its own behalf. First Liberty further agrees and acknowledges the jurisdiction of DFI over this matter and that this Agreement is a matter of public record and may be disseminated as such.

IT IS SO ORDERED on this the 3rd day of November, 2009.

Charles A. Vice
Commissioner

Consented to:

This 22 day of October, 2009

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

Consented to:

This 27th day of October, 2009

Patrick W. Cason
First Liberty Financial Group, LLC