COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2008-AH-214

DEPARTMENT OF FINANCIAL INSTITUTIONS COMPLAINANT

vs.

FINAL ORDER
REVOKING LICENSE

NO DOUBT MORTGAGE, INC. RESPONDENT

Statement of Facts

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

2. Respondent applied for and was issued a mortgage broker license by DFI for the purpose of engaging in the mortgage broker business in the Commonwealth of Kentucky at an office located at 1442 Gardiner Lane, Louisville, Kentucky 40213.

3. On April 7, 2008, a DFI investigator drove by the location referenced above and discovered that the office was vacant. Upon speaking with neighbors, DFI determined that Respondent had moved from the location in February or March of 2008. Upon contacting Cheryl White, the sole officer and director of Respondent, Ms. White confirmed that she moved Respondent's mortgage operation into her home. Ms. White assured the DFI investigator that she would immediately send written notification of Respondent's change of address to DFI and comply with all statutory requirements for home offices.

4. On May 27, 2008, DFI sent a letter to Respondent indicating that DFI had not received written notification of the address change from Respondent, that Respondent was required to demonstrate and meet certain requirements in order to maintain a home office, and asking Respondent to immediately comply with all statutory requirements. To date, DFI has received no response from Respondent.

5. On June 17, 2008, DFI filed an Administrative Complaint against Respondent seeking revocation of Respondent's license to do business as a mortgage loan broker in the Commonwealth of Kentucky for failure to comply with Ch. 286.8 of the Kentucky Revised Statutes and seeking the imposition of a one thousand dollar ($1,000) fine. Respondent failed to respond to the complaint despite being properly served with the complaint on June 18, 2008, and therefore no hearing was requested in this matter.

Statutory Authority

1. Pursuant to KRS 286.8-032(8)(b), a mortgage loan broker is required to notify DFI of a change in the location of its business in writing at least ten (10) days prior to the change.

2. Pursuant to KRS 286.8-032(8)(a), a mortgage loan broker maintaining a physical location in a residence must provide proof that the mortgage loan broker owns or leases the residence, that the mortgage loan broker lives in the residence as the mortgage loan broker's main residence, and must provide proof that local zoning requirements are satisfied.

3. Pursuant to 808 KAR 12:075, if the physical office is a residence, the office shall be the residence of an owner who owns at least twenty (20) percent of the mortgage loan broker.

4. Pursuant to KRS 286.8-090, the commissioner may deny, suspend, or revoke any license when the applicant or licensee does not meet or has failed to comply with the requirements of KRS 286.8, does not conduct his business in accordance with law or the method of business includes or would include activities which are illegal where performed, has willfully violated any provision of KRS 286.8 or any regulation thereunder, has refused, within a reasonable period of time, to furnish any information or make any report that may be required by the commissioner, or has demonstrated incompetence or untrustworthiness to act as a licensee.

5. Pursuant to former KRS 286.8-990, the commissioner may assess a fine of not less than one thousand dollars ($1,000) nor more than five thousand dollars ($5,000) against any mortgage loan broker that violates any provision of KRS Chapter 286.8.

Conclusions

Based upon the foregoing, the commissioner has determined as follows:

1. Respondent applied for and was issued a mortgage broker license by DFI for the purpose of engaging in the mortgage broker business in the Commonwealth of Kentucky at an office located at 1442 Gardiner Lane, Louisville, Kentucky 40213.

2. Respondent violated KRS 286.8-032(8)(b) by failing to notify DFI of a change in the location of its business in writing at least ten (10) days prior to the change. Respondent further violated KRS 286.8-032(8)(a) by failing to provide proof that the mortgage loan broker owns or leases the residence, that the mortgage loan broker lives in the residence as the mortgage loan broker's main residence, and that local zoning requirements are satisfied.

3. Respondent violated KRS 286.8-090 by failing to comply with the requirements of KRS 286.8, by failing to conduct its business in accordance with law, by willfully violating KRS 286.8, and refusing, within a reasonable period of time, to furnish information and make the report required by the commissioner.

4. In light of the violations set forth above, Respondent's license as a mortgage loan broker is subject to being revoked pursuant to KRS 286.8-090.

5. Despite being properly served pursuant to KRS 13B-050(2) with an Administrative Complaint, Respondent failed to respond to the Complaint or request a hearing within twenty (20) days of service of the complaint as required by 808 KAR 12:030.

Order

THEREFORE, based upon the foregoing statement of facts, statutory authority, and conclusions, the executive director **HEREBY ORDERS** as follows:

1. That the mortgage loan broker license held by **No Doubt Mortgage, Inc.** is **REVOKED**;

2. That Respondent shall pay a fine of one thousand dollars ($1,000) for the violations set forth in this Order;

3. That Respondent is prohibited from conducting business in Kentucky as a mortgage loan company or mortgage loan broker without being properly licensed or otherwise entitled to an exemption;

4. That Respondent is prohibited from participating in any business activity of a registrant or licensee and from engaging in any business activity on the premises where a licensee or registrant is conducting its business; and

5. This is a **FINAL ORDER**.

This **ORDER** shall become effective upon completion of service as it is set forth in KRS 13B.050(2).

Notice of Appeal Rights

Pursuant to KRS 13B.140, you are hereby notified that you have the right to appeal this Final Order of the Commissioner. If you choose to appeal, you must file a written Notice of Appeal with the Franklin Circuit Court within thirty (30) days after entry of this Order.

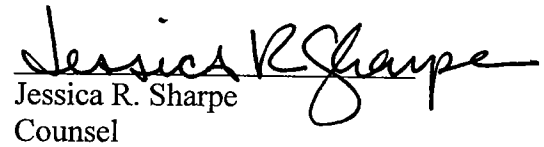
IT IS SO ORDERED on this the 15th day of September, 2008.

Charles A. Vice
Commissioner
Department of Financial Institutions
1025 Capital Center Drive, Ste. 200
Frankfort, Kentucky 40601

Certificate of Service

I, Jessica R. Sharpe, hereby certify that a copy of the foregoing **Final Order Revoking License** was sent on this the 15th day of September, 2008, by certified mail, return receipt requested, to the following:

Cheryl White
No Doubt Mortgage, Inc.
3607 Stoney Run Drive
Louisville, KY 40220



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