COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION AND REGULATION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2009-AH-047

DEPARTMENT OF FINANCIAL INSTITUTIONS COMPLAINANT

VS. **AGREED ORDER**

PMF, INC. d/b/a
PARAMOUNT MORTGAGE FUNDING, INC. RESPONDENT

BACKGROUND AND FACTUAL FINDINGS

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

2. PMF, Inc. d/b/a Paramount Mortgage Funding, Inc. ("PMF") is licensed by the Department as a mortgage loan broker under license number MB 23079, and has its principal office at 13575 58th Street N, Suite 187, Clearwater, Florida 33760.

3. In October, 2008, PMF held a license, from the Department, for its branch office located at 802 Stone Creek Pkwy., Suite 5A, Louisville, Kentucky. The Department learned that PMF had moved its branch office to 804 Stone Creek Pkwy., Suite 8 without notifying or obtaining approval from the Department.

4. Upon further investigation, the Department learned that PMF originated loans on Kentucky properties using loan officers whose registrations with the Department had expired. One loan officer, Jonathan Sisco, was employed by PMF after his registration

had expired on December 31, 2008. A second individual, Adam Denton, had continued to work for PMF after his registration had expired in June, 2008.

STATUTORY AUTHORITY

5. KRS 286.8-032((5) provides: "If a licensee desires to establish a branch, the licensee shall file an application with the executive director that includes the physical location and telephone number of the branch…"

6. KRS 286.8-036(4) provides: "No licensee shall transact the business provided for by this subtitle under any other name or maintain an office at any location other than that designated in the license."

7. KRS 286.8-255(1) provides: "No mortgage loan originator or mortgage loan processor shall originate or process mortgage loans on residential real property in Kentucky unless such mortgage loan originator or mortgage loan processor is registered with the office and has been issued a certificate of registration by the office."

8. KRS 286.8-046 provides: "The executive director may levy a civil penalty against any person who violates any provision of or any administrative regulation 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…"

AGREEMENT AND ORDER

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

1. PMF agrees to pay a fine in the amount of eleven thousand dollars ($11,000), by cashier's check or money order made payable 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, by August 31, 2009.

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

3. PMF agrees that the individual signing below on behalf of PMF is authorized to execute this Order and to legally bind PMF.

IT IS SO ORDERED on this the 8th day of September, 2009.

Charles A. Vice
Commissioner

Consented to:

This 31st day of July, 2009

Division of Financial Institutions
Department of Financial Institutions

Consented to:

This 11th day of ~~July~~ August, 2009

Nicole Cugno, President
PMF, Inc.