COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2009-AH-108

DEPARTMENT OF FINANCIAL INSTITUTIONS COMPLAINANT

VS. **FINAL ORDER ASSESSING FINE**

LORI ANN HENDRICKS RESPONDENT

The Commissioner of the Department of Financial Institutions ("DFI") hereby enters this **Final Order** directing Lori Ann Hendricks ("Respondent") to pay a **Fine** in the amount of two thousand dollars $2,000 for originating two mortgage loans on Kentucky properties while her registration as a loan originator was expired.

Statement of Facts

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

2. Ms. Hendricks was registered with DFI as a loan originator pursuant to KRS 286.8-255, from June 25, 2004 until June 30, 2007 when her registration expired.

3. On July 2, 2008, DFI approved Ms. Hendricks' request for temporary registration as a loan broker or mortgage loan officer pending submission of certain documents required to complete her application for registration. Her temporary registration expired on December 28, 2008 after she failed to complete the application process.

4. In January 2008, Ms. Hendricks became employed at Belac, Inc., DBA Interactive Mortgage in Florence, Kentucky. At that time her registration as a loan officer was expired.

5. During a review of the closed loan files for Belac, Inc., DBA Interactive Mortgage, it was discovered that Ms. Hendricks had originated two mortgage loans for Belac, Inc., one of which closed on January 25, 2008 and the other on April 28, 2008, during the time that her registration as a mortgage loan officer was expired.

6. On October 13, 2009, DFI sent Ms. Hendricks a letter informing her of the above and allowing her an opportunity to voluntarily agree to assessment of a fine against her. The letter was never returned to DFI and Ms. Hendricks did not respond to the letter.

7. On December 16, 2009, DFI filed an Administrative Complaint against Ms. Hendricks seeking imposition of a two thousand dollar ($2,000) fine against her.

8. The Complaint was sent to Respondent via certified mail, return receipt requested at 5388 Midnight Run, Independence, Kentucky 41051, the address listed on file with the DFI as Respondent's mailing address.

9. Respondent failed to claim the complaint, and therefore no hearing was requested in this matter.

Statutory Authority

1. Pursuant to KRS 286.8-255(1), "...no mortgage loan broker and no loan officer shall originate mortgage loans in Kentucky unless such mortgage loan broker or loan officer is registered with the office and has been issued a certificate of registration by the office. The office shall maintain a registry of all mortgage loan brokers and loan officers

originating mortgage loans in Kentucky. The office shall issue a certificate of registration to all registered mortgage loan brokers and loan officers."

2. Pursuant to KRS 286.8-046(1), the commissioner may levy a civil penalty against any person who violates any provision of subtitle 286.8. The civil penalty shall be not less than one thousand dollars ($1,000) no more than twenty-five thousand dollars ($25,000) per violation.

Conclusion

1. Respondent violated KRS 286.8-255(1) by originating mortgage loans in Kentucky without being registered with DFI and without being issued a certificate of registration by DFI. Respondent is subject to a fine of two thousand dollars ($2,000) for this violation.

2. The Respondent was properly served the Complaint pursuant to KRS 286.8-044(2) and 808 KAR 12:030 by serving the respondent by certified mail to the last known address of the Respondent.

3. Despite being properly served pursuant to KRS 13B.050(2) with an Administrative Complaint, Respondent failed to claim the Complaint or request a hearing within twenty (20) days of service of the complaint as required by KRS 286.8-044. Thus, the Respondent's right to a hearing was waived in this matter.

Order

THEREFORE, based upon the foregoing statement of facts, statutory authority, and conclusions, the Commissioner **HEREBY ORDERS** that:

1. Lori Ann Hendricks shall pay a civil penalty in the amount of two thousand dollars ($2,000.00) for violation of KRS 286.8-255. The check 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: Sally Mooney, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601; and

2. This is a **FINAL AND APPEALABLE ORDER**. This Final Order shall become effective upon completion of service as set forth in KRS 286.8-044.

NOTICE OF APPEAL RIGHTS

Pursuant to KRS 286.8-210, 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 sixty (60) days after completion of service of this Final Order. A copy of any Appeal Petition must also be served on the Commissioner.

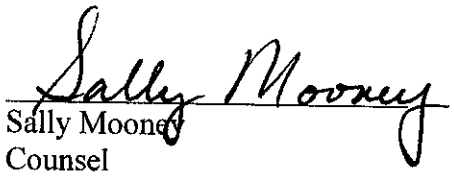
IT IS SO ORDERED on this the 21st day of JANUARY, 2010.

CHARLES A. VICE
COMMISSIONER

Certificate of Service

I, Sally Mooney, hereby certify that a copy of the foregoing **Final Order** was sent on this the 26th day of January, 2010, by certified mail, return receipt requested, to the following:

Lori Ann Hendricks
5388 Midnight Run
Independence, KY 41051



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