

STATE OF NEBRASKA
Department of Banking & Finance

IN THE MATTER OF:)	
)	FINDINGS OF FACT
Premier Mortgage Funding, Inc.,)	CONCLUSIONS OF LAW
d/b/a PM Funding, Inc.,)	AND
3001 Executive Drive, Suite 330,)	CONSENT AGREEMENT
Clearwater, Florida)	

THIS MATTER comes before the Nebraska Department of Banking and Finance (“DEPARTMENT”), by and through its Director, pursuant to its authority under the Mortgage Bankers Registration and Licensing Act, Neb. Rev. Stat. §§ 45-701 to 45-721 (Reissue 2004; Cum. Supp. 2006) (“the Act”). Pursuant to Neb. Rev. Stat. § 45-710 (Reissue 2004), the DEPARTMENT has investigated the actions of Premier Mortgage Funding, Inc., d/b/a PM Funding, Inc., 3001 Executive Drive, Suite 330, Clearwater, Florida (“PMFI”). As a result of such investigation, and being duly advised and informed in the matter, the Director and PMFI enter into the following Findings of Fact, Conclusions of Law, and Consent Agreement.

FINDINGS OF FACT

1. On August 16, 2004, the DEPARTMENT issued a mortgage banker license to PMFI pursuant to Neb. Rev. Stat. § 45-705 (Cum. Supp. 2006). PMFI renewed the license annually on March 1st in 2005 and 2006. The license was provisionally renewed on March 1, 2007, pending resolution of this matter. PMFI currently maintains a surety bond in the amount of \$100,000.00 pursuant to Neb. Rev. Stat. § 45-709 (Cum. Supp. 2006).

2. On March 17, 2005, PMFI notified the DEPARTMENT that it had opened a branch at 315 South 9th Street, Suite 201, Lincoln, Nebraska, and that Marco Chaidez (“CHAIDEZ”) was the branch manager for this location.

3. On February 15, 2006, PMFI submitted a 2006 Mortgage Banker License Renewal Application (“2006 Renewal Application”) to the DEPARTMENT. Question #2 of the 2006 Renewal Application required the Applicant to provide “Address, contact person, and telephone number of all other offices (whether or not in Nebraska) from which mortgage banking business will be transacted in Nebraska. If none, please so indicate.” PMFI attached a three-page list of branches. The list did not include the branch for which PMFI provided the Department the notice described in Finding of Fact #2.

4. Question #8 of the 2006 Renewal Application stated in part: “Has applicant, or any director, shareholder or principal officer or partner or member of applicant, ever been subject to a federal or state administrative investigation or order, if not previously disclosed?” PMFI answered “No.”

5. Question #11 of the 2006 Renewal Application stated: “Has any director, shareholder, partner, member or principal officer of the applicant ever been subject to a formal action by a federal or state bank or securities regulator or by a state insurance regulator, if not previously disclosed?” PMFI answered “No.”

6. Question #12 of the 2006 Renewal Application stated: “Has applicant, or any director, shareholder, partner, member or principal officer of the applicant ever been fined by a state or federal regulatory or law enforcement entity, if not previously disclosed?” PMFI answered “No.”

7. The DEPARTMENT has learned that on August 5, 2005, PMFI and the Virginia Corporation Commission entered into a Settlement Order ("Virginia Order") whereby PMFI agreed to pay a fine in the amount of \$25,000.00.

8. In a letter dated June 21, 2006, the DEPARTMENT requested that PMFI provide a written explanation as to why the Virginia Order had not been disclosed on its 2006 Renewal Application.

9. PMFI responded in a letter dated July 10, 2006. PMFI stated as follows:

Item number two regarding failure to disclose a settlement order from the Bureau of Financial Institutions of Virginia; due to extenuating circumstances we were not able to give proper notification of intent to change stockholders. Unfortunately our CEO and owner, Mr. Jerry Cugno's, father passed on the same day he bought the company which was 6/30/04. Some of the mistake came from (sic) that he was distraught for some time. In addition the gentleman he purchased the company from, Mr. Derek Tacca, made this offer very last minute and the closing happened within two days of the offer. This made everything have to happen extremely quickly.

10. Neb. Rev. Stat. § 45-707(1)(d) (Cum. Supp. 2006) provides that the Director may suspend or revoke any license issued under the Act or impose an administrative fine if the licensee has made statements which at the time or in light of the circumstance in which they were made were false or misleading in any material respect.

11. The Virginia Order was a formal action by a banking regulator and it imposed a fine by consent upon PMFI. PMFI therefore should have answered "Yes" to Questions #8, 11, and 12 of the 2006 Renewal Application. PMFI therefore violated Neb. Rev. Stat. § 45-707(1)(d) in connection with its 2006 Renewal Application as it provided false and misleading information to the DEPARTMENT as to its disciplinary history.

12. On or about March 16, 2006, a DEPARTMENT employee discovered a mortgage banker operating an office at 315 South 9th Street, Suite 201, Lincoln, Nebraska.

under the name of MD Financial Solutions, LLC (“MD FINANCIAL”). This is the same location for which PMFI had provided the notice described in Finding of Fact #2.

13. MD FINANCIAL does not hold and never has held a license issued pursuant to the Act or pursuant to the Nebraska Installment Loan Act.

14. Articles of Organization for MD FINANCIAL were filed on March 17, 2005, with the Nebraska Secretary of State. CHAIDEZ is listed as a member of MD FINANCIAL.

15. The DEPARTMENT also discovered that MD FINANCIAL was operating a website at www.mdffinsolutions.com. The DEPARTMENT determined that MD FINANCIAL was operating as a mortgage banker.

16. The DEPARTMENT sent CHAIDEZ a letter on March 20, 2006, regarding MD FINANCIAL’s operation of a mortgage banking business.

17. On March 21, 2006, CHAIDEZ contacted the DEPARTMENT and disclosed that MD FINANCIAL was operating as a “net branch” of PMFI. CHAIDEZ faxed the DEPARTMENT a letter from Jerry Cugno, Chief Executive Officer of PMFI, which stated that PMFI has a branch at 315 South 9th Street, Suite 201, Lincoln, Nebraska to show that he was operating as a branch of PMFI.

18. In a letter dated March 21, 2006, the DEPARTMENT requested that PMFI provide the DEPARTMENT with copies of its agreement with CHAIDEZ and an explanation as to why it did not include this location on the list of branches it submitted to the DEPARTMENT with its 2006 Renewal Application.

19. In a response dated March 27, 2006, PMFI indicated that the branch was closing on March 23, 2006, and therefore it was not included in the list attached to the 2006

Renewal Application. PMFI also provided the DEPARTMENT with a formal notice that it was closing CHAIDEZ's branch on March 23, 2006.

20. PMFI's failure to include CHAIDEZ's branch on its 2006 Renewal Application constituted another violation of Neb. Rev. Stat. § 45-707(1)(d) (Cum. Supp. 2006) as it provided false and misleading information to the DEPARTMENT by not including all of its branches doing business in Nebraska in its 2006 Renewal Application. The DEPARTMENT does consider the fact that PMFI had notified the DEPARTMENT that it had opened the branch, and subsequently notified the DEPARTMENT that this branch was closing on March 23, 2006, to be mitigating factors.

21. At no time had PMFI or its branch notified the DEPARTMENT that the branch was conducting business under the name MD FINANCIAL. PMFI therefore violated Neb. Rev. Stat. § 45-711(9)(f) (Cum. Supp. 2006) which requires that a licensee notify the DEPARTMENT within thirty days of adopting a trade name.

22. Neb. Rev. Stat. § 45-705(2) (Cum. Supp. 2006) provides that a licensee may have no more than one trade name or doing business as designation. If a licensee wishes to use additional trade names or doing business as designations, a licensee must obtain a separate license for each such trade name or doing business as designation.

23. PMFI already had designated the trade name PM Funding, Inc. Therefore, PMFI violated Neb. Rev. Stat. § 45-705(2) (Cum. Supp. 2006) when its branch began conducting business as MD FINANCIAL as PMFI was using more than one trade name without obtaining a separate license for each trade name.

24. Neb. Rev. Stat. § 45-703(1)(f) (Cum. Supp. 2006) provides an exemption from the Act for any individual acting solely as an employee of a mortgage banker licensed or registered pursuant to the Act or exempt from the Act.

25. During its investigation, the DEPARTMENT learned that CHAIDEZ had also entered into an employment agreement with Dana Capital Group, Inc., a mortgage banker licensed under the Act. CHAIDEZ was therefore simultaneously employed by two mortgage bankers.

26. CHAIDEZ did not qualify for the exemption set forth in Neb. Rev. Stat. § 45-703(1)(f) (Cum. Supp. 2006) as he was not operating solely as an employee of a mortgage banker licensed under the Act, as he was simultaneously employed by two different licensees.

27. MD FINANCIAL also does not qualify for any of the exemptions from the Act found in Neb. Rev. Stat. § 45-703 (Cum. Supp. 2006). Likewise, the individual employees or agents of MD FINANCIAL do not qualify for any exemption.

28. PMFI therefore violated Neb. Rev. Stat. § 45-705 (Cum. Supp. 2006) as its branch manager organized and operated an unlicensed entity and utilized nonexempt individuals to conduct its mortgage banking business in Nebraska. PMFI represents to the DEPARTMENT that it was unaware of the fact that CHAIDEZ was utilizing a limited liability company to conduct business in Nebraska and was unaware that CHAIDEZ had also signed a contract with another licensee.

29. On March 29, 2006, the DEPARTMENT received a notice from PMFI that it was opening a branch at 601 Calvert Street, Suite Q, Lincoln, Nebraska. Angela Churray ("CHURRAY") was listed as the manager for this branch.

30. The DEPARTMENT learned that the address that PMFI listed in its March 29, 2006 notice was also the address of Tony George Productions, Inc., d/b/a Main Street Homes ("MAIN STREET HOMES"), a home builder based in Lincoln, Nebraska. MAIN STREET HOMES has a website with the address of www.mainstreethomes.org.

31. The DEPARTMENT reviewed MAIN STREET HOMES' website. The website contains a link to a "financing" page. This page indicates that MAIN STREET HOMES has an in-house financing department that is offering loans through PMFI. This page invites the viewer to "Contact Jason or Angie at 423-1280 and set an appointment to pre-qualify TODAY!" The website also contains a weekend contact telephone number of 402-610-6424.

32. The DEPARTMENT confirmed that "Jason" was Jason Svoboda ("SVOBODA") who is the subject of an investigation by the DEPARTMENT and by law enforcement.

33. SVOBODA has multiple criminal convictions. On September 30, 1994, SVOBODA was convicted in the District Court of Platte County, Nebraska, of possession of a controlled substance with intent to deliver which is a felony under Nebraska law. SVOBODA was sentenced to thirty to forty-eight months in prison. He was released from prison on December 24, 1997.

34. SVOBODA subsequently began working as a finance manager at Rhoden Auto ("RHODEN") in Lincoln, Nebraska. Ultimately, RHODEN alleged that SVOBODA had embezzled money from the company. SVOBODA was charged with Theft by Deception in 2002. The case is captioned *State of Nebraska v. Jason Svoboda* in the District Court of Lancaster County, Nebraska, file number CR02-454.

35. The Court file contained allegations that RHODEN had sold a vehicle to another dealership. The vehicle was transferred to the other dealership. The other dealership wrote a check for seventeen thousand, two hundred dollars (\$17,200.00) payable to RHODEN. SVOBODA endorsed the check as general manager and deposited the check into his personal bank account.

36. SVOBODA pled guilty to the charge of Theft by Deception, a Class III felony on April 2, 2003. On May 28, 2003, SVOBODA was sentenced to two to four years in prison. SVOBODA was released from prison on July 28, 2004.

37. On April 20, 2006, SVOBODA was arrested by the Lincoln Police Department in connection with alleged fraudulent information that SVOBODA provided to a lender to obtain a four hundred and eight thousand dollar (\$408,000.00) mortgage to purchase his own home in Lincoln, Nebraska. Additional charges have been filed against SVOBODA in connection with alleged forged endorsements on checks given to SVOBODA in connection with mortgage loan transactions at another licensee who had previously employed SVOBODA.

38. On April 21, 2006, the DEPARTMENT issued an Order to Cease and Desist ("Cease and Desist") against SVOBODA ordering him to cease employment as a loan officer in the mortgage banking industry.

39. Neb. Rev. Stat. § 45-707(1)(g) (Cum. Supp. 2006) provides that the DEPARTMENT may suspend or revoke a license, or impose an administrative fine if a licensee knowingly has employed any individual or knowingly has maintained a contractual relationship with any individual acting as an agent, if such individual has been convicted of, pleaded guilty to, or was found guilty after a plea of nolo contendere to (i) a

misdemeanor under any state or federal law which involves dishonesty or fraud or which involves any aspect of the mortgage banking business, financial institution business, or installment loan business, or (ii) any felony under state or federal law.

40. Since it appeared that SVOBODA had a relationship with PMFI, the DEPARTMENT served a copy of the Cease and Desist upon PMFI and asked it to provide a written explanation as to its relationship with SVOBODA.

41. PMFI responded in a letter received by the DEPARTMENT on May 16, 2006.

PMFI stated as follows:

Regarding your concerns about the policy and procedures of PMFI it is our strict policy to do a thorough background check on each application for branch manager. We pull county and state criminal background checks as well as credit history through ADP. We also verify all personal and employment references. I have attached a copy of the application and background check on Ms. Churray as you have requested. However we have no employee records on Jason Svoboda or Doug George as neither of these individuals are or have ever been employees of PMFI.

In regards to our intent to our future relationship with this branch we here at Premier Mortgage Funding, Inc. strive to maintain the highest ethical standards for those we allow to be a part of our organization, and we found that by offering potential employment Mr. Svoboda, Angela did not meet those standards. As soon as we received your notification, we promptly launched a full investigation into this matter and immediately terminated her employment with us.

42. The DEPARTMENT also served a copy of the Cease and Desist upon MAIN STREET HOMES. Doug George ("GEORGE"), President of MAIN STREET HOMES, responded in a letter received by the DEPARTMENT on April 26, 2006, in which he stated, in part, "Premier Mortgage Funding was aware of past felonies with Jason, but nowhere was he listed as a principle (sic) owner or manager." GEORGE also orally represented to the Lincoln Police Department that PMFI had stated that SVOBODA could

represented to the Lincoln Police Department that PMFI had stated that SVOBODA could not be an owner or branch manager because of his felony convictions, but could work as a loan officer for PMFI.

43. In an e-mail received by the DEPARTMENT on May 5, 2006, GEORGE stated, in part as follows:

If you care to contact Premier Mortgage Funding corporate, they can confirm he was not registered officially at any point through their paycheck system as an employee, although he was planned to be, until the legal issues reared their ugly head in this matter.

44. Both GEORGE and PMFI represented to the DEPARTMENT that no loan applications were submitted to PMFI by CHURRAY's branch.

45. PMFI's agreement with CHURRAY provided, in part, as follows:

4.5.0 Hiring of Employees

(a) Manager shall have the authority to employ, on behalf of (PMFI), any personnel in accordance with applicable laws and regulations for the efficient operation of the Branch Office. Prior to any new employment of a Loan Officer, Manager must gain (PMFI) approval. This approval will only be granted when Manager submits to (PMFI) a copy of the appropriate license issued by the Governing Authority, if applicable, wherein the Loan Officer is granted authority to do business in the state in which Manager is located. All employment packets, including the Employment Application, Loan Officer Agreement, the Loan Fraud Zero Tolerance Policy and Authorization to Release shall be fully executed and signed by employee, along with all applicable documentation and must be sent to (PMFI) Corporate Office no later than forty-eight (48) hours after employee's start date.

(b) (PMFI) may need to update (PMFI's) records, personnel files and conduct background investigations. Accordingly, (PMFI) may, from time to time, require Manager to disclose accurate and complete information regarding all personnel employed by Manager. Such information shall include, but not be limited to all employees' qualifications, background, credit reports or any relationships which may present a conflict of interest.

(c) Branch Manager shall submit all employees' employment documentation to (PMFI's) payroll company; Paychex, before any potential employee can be recognized as a bona fide (PMFI) employee.

(Acronym in parenthesis replaces the acronym used for PMFI in the original agreement.)

46. PMFI's agreement makes clear that CHURRAY had the ability to hire employees for her branch. GEORGE's letter and the website make clear that CHURRAY had exercised her authority to hire SVOBODA as a loan officer and was holding him out to the public as an employee of PMFI. The DEPARTMENT has concluded that PMFI violated Neb. Rev. Stat. § 45-707(1)(g) (Cum. Supp. 2006) as its branch office had authority to hire loan officers and knowingly hired a person with a felony conviction.

47. PMFI acknowledges that hiring employees is ultimately the corporate office's responsibility and believes that the hiring of SVOBODA should be construed as a supervisory deficiency rather than an intentional act of knowingly hiring a convicted felon.

48. The DEPARTMENT finds especially troubling GEORGE's representations that PMFI knew that SVOBODA had felony convictions, but indicated that the conviction would only bar him from acting as an owner or branch manager. Such policy is inconsistent with Neb. Rev. Stat. § 45-707(1)(g) (Cum. Supp. 2006) which clearly bars convicted felons from any employment with a mortgage banker. PMFI maintains that it did not approve the hiring of SVOBODA and represents to the DEPARTMENT that it would never knowingly permit a branch to hire a convicted felon.

49. The DEPARTMENT has learned that Articles of Organization for RPM Investment Group, LLC ("RPM"), were filed with the Nebraska Secretary of State on March 23, 2006.

50. Article V of RPM's Articles of Organization states as follows:

Article V. Purpose. The Company is to engage in any lawful business or activity for which a limited liability company may be organized under the Nebraska Limited Liability Company Act, including but not limited to act as a loan broker, to solicit applications for loans, arrange for loans, and in general carry on the business of loan brokerage and such things as may be necessary and incidental in and about the business.

51. Article VII of RPM's Articles of Organization states as follows:

Article VII. Members. The limited liability company shall have the right to admit additional partners upon the following terms and conditions of admission: no person may be admitted as an additional or substitute member without the unanimous written consent of all members. The names and address of the initial members are: Douglas George and Jason Svoboda. Their office business address is 601 Calvert Street, Suite Q, Lincoln, NE 68502.

52. It appears that RPM was formed to operate as a branch of PMFI in the exact same manner that CHAIDEZ had utilized MD FINANCIAL to operate a branch of PMFI. Since RPM's branch had begun soliciting loan applications on its website, RPM was engaging in the business of mortgage banking as a branch of PMFI.

53. RPM does not qualify for any exemption found under Neb. Rev. Stat. § 45-703 (Cum. Supp. 2006). Since MAIN STREET HOMES had an active website soliciting customers on behalf of its branch office of PMFI, PMFI therefore violated Neb. Rev. Stat. § 45-705 (Cum. Supp. 2006) as its branch organized and operated an unlicensed entity and utilized nonexempt individuals to conduct mortgage banking.

54. SVOBODA was a member of RPM and thus had an apparent ownership interest in the PMFI branch. SVOBODA was listed as a loan officer on the website and

the website listed his contact information. It is readily apparent that SVOBODA, a convicted felon, would have played an integral role in PMFI's branch location but for his arrest and the DEPARTMENT's Cease and Desist.

55. PMFI also violated Neb. Rev. Stat. § 45-707(1)(l) (Cum. Supp. 2006) as it failed to supervise CHURRAY, GEORGE, and SVOBODA to ensure their compliance with the Act.

56. The DEPARTMENT incurred a minimum of one thousand dollars (\$1,000.00) in investigation costs in this matter.

CONCLUSIONS OF LAW

1. Neb. Rev. Stat. § 45-705 (Cum. Supp. 2006) provides, in part, that no person shall act as a mortgage banker or use the title mortgage banker in this state unless he, she, or it is licensed or registered with the DEPARTMENT. The statute further provides that an applicant for a mortgage banker license shall submit an application on forms provided by the DEPARTMENT.

2. Neb. Rev. Stat. § 45-703(1)(f) (Cum. Supp. 2006) provides an exemption from the Act for any individual acting solely as an employee of a mortgage banker licensed or registered pursuant to the Act or exempt from the Act.

3. Neb. Rev. Stat. § 45-706(1) (Cum. Supp. 2006) provides that the business of a mortgage banker shall be operated honestly, soundly, and efficiently in the public interest consistent with the purposes of the Act.

4. Neb. Rev. Stat. § 45-706(3) (Cum. Supp. 2006) provides that mortgage banker licenses may be renewed annually by filing an application for renewal containing such

information as the Director may require to indicate any material change in the original application or succeeding renewal applications.

5. Neb. Rev. Stat. § 45-707(1)(d) (Cum. Supp. 2006) provides that the Director may suspend or revoke any license issued under the Act or impose an administrative fine if the licensee has made statements which, at the time or in the light of the circumstances in which they were made, were false or misleading in any material respect.

6. Neb. Rev. Stat. § 45-707(1)(g) (Cum. Supp. 2006) provides that the Director may suspend or revoke a license, or impose an administrative fine if a licensee knowingly has employed any individual or knowingly has maintained a contractual relationship with any individual acting as an agent, if such individual has been convicted of, pleaded guilty to, or was found guilty after a plea of nolo contendere to (i) a misdemeanor under any state or federal law which involves dishonesty or fraud or which involves any aspect of the mortgage banking business, financial institution business, or installment loan business or (ii) any felony under state or federal law.

7. Neb. Rev. Stat. § 45-707(1)(l) (Cum. Supp. 2006) provides that the Director may suspend or revoke a license, or impose an administrative fine if a licensee has failed to reasonably supervise any officer, employee, or agent to assure his or her compliance with the Act or with any state or federal law applicable to the mortgage banking business.

8. Neb. Rev. Stat. § 45-717.01(2) (Cum. Supp. 2006) provides that if the Director finds, after notice and hearing in accordance with the Administrative Procedure Act, that any person has knowingly committed any act prohibited by Section 45-707 or has otherwise violated the Act, the Director may order such person to pay an

administrative fine not exceeding five thousand dollars for each separate violation plus the costs of investigation.

9. Neb. Rev. Stat. § 45-709(1) (Cum. Supp. 2006) provides that a licensee must maintain a surety bond in the amount of one hundred thousand dollars.

10. Neb. Rev. Stat. § 45-709(2) (Cum. Supp. 2006) provides that the Director may require the filing of a new or supplemental bond in the form as provided in subsection (1) of that section if he or she determines that the bond filed under this section is exhausted or is inadequate for any reason, including the financial condition of the licensee. The new or supplemental bond shall not exceed one million dollars.

11. The facts listed in the above Findings of Fact constitute a sufficient basis for the Director to have determined that PMFI has violated the Act and that proceedings could be commenced to revoke or suspend PMFI's license and/or to impose an administrative fine in an amount of not more than five thousand dollars for each of the violations plus costs of investigation should be imposed in accordance with Neb. Rev. Stat. § 45-717.01(2) (Cum. Supp. 2006).

12. Under the Act's statutory framework, the Director has the legal and equitable authority to fashion significant remedies.

13. It is in the best interest of PMFI, and in the best interest of the public, for PMFI and the DEPARTMENT to resolve the issues included herein.

CONSENT AGREEMENT

The DEPARTMENT and PMFI agree as follows:

Stipulations: In connection with this Consent Agreement, PMFI and the DEPARTMENT stipulate to the following:

1. The DEPARTMENT has jurisdiction as to all matters herein.

2. This Consent Agreement shall resolve all matters between the DEPARTMENT and PMFI in connection with the Findings of Fact listed above. Should future circumstances warrant, the facts from this matter may be considered in a future administrative action by the DEPARTMENT.

3. This Consent Agreement shall be in lieu of all other proceedings available to the DEPARTMENT, except as specifically referenced in this Consent Agreement.

PMFI further represents as follows:

1. PMFI is aware of its right to a hearing on these matters at which it may be represented by counsel, present evidence, and cross-examine witnesses. The right to such a hearing, and any related appeal, is irrevocably waived.

2. PMFI is acting free from any duress or coercion of any kind or nature.

3. This Consent Agreement is executed to avoid further proceedings and constitutes an admission of violations of the Act solely for the purpose of this Consent Agreement and for no other purpose.

IT IS, THEREFORE, AGREED as follows:

1. Within ten (10) days after the effective date of this Consent Agreement, PMFI shall pay a fine of one thousand dollars (\$1,000.00) for its violation of Neb. Rev. Stat. § 45-707(1)(d) (Cum. Supp. 2006) where it provided false and misleading information to the DEPARTMENT by not reporting the Virginia Order on its 2006 Renewal Application.

2. Within ten (10) days after the effective date of this Consent Agreement, PMFI shall pay a fine of five hundred dollars (\$500.00) for its violation of Neb. Rev. Stat.

§ 45-707(1)(d) (Cum. Supp. 2006) where it provided false and misleading information to the DEPARTMENT by not listing the CHAIDEZ branch on its 2006 Renewal Application.

3. Within ten (10) days after the effective date of this Consent Agreement, PMFI shall pay a fine of five hundred dollars (\$500.00) for its violation of Neb. Rev. Stat.

§ 45-711(9)(g) (Cum. Supp. 2006) where it failed to notify the DEPARTMENT within thirty days of its branch adopting the trade name MD FINANCIAL.

4. Within ten (10) days after the effective date of this Consent Agreement, PMFI shall pay a fine of one thousand dollars (\$1,000.00) for its violation of Neb. Rev. Stat.

§ 45-705(2) (Cum. Supp. 2006) where its branch adopted a trade name which caused PMFI to use two trade names under one license instead of obtaining a separate license for each trade name.

5. Within ten (10) days after the effective date of this Consent Agreement, PMFI shall pay a fine of one thousand dollars (\$1,000.00) for each of its two violations of Neb. Rev. Stat. § 45-705 (Cum. Supp. 2006) where its branches allowed the unlicensed entities MD FINANCIAL and RPM and the nonexempt employees, CHAIDEZ, SVOBODA, and GEORGE, to conduct mortgage banking under its license.

6. Within ten (10) days after the effective date of this Consent Agreement, PMFI shall pay a fine of one thousand dollars (\$1,000.00) for its violation of Neb. Rev. Stat.

§ 45-707(1)(g) (Cum. Supp. 2006) where its branch employed SVOBODA as a loan officer knowing that he had a felony conviction.

7. Within ten (10) days after the effective date of this Consent Agreement, PMFI shall pay a fine of one thousand dollars (\$1,000.00) for each of the two violations of Neb.

Rev. Stat. § 45-707(1)(l) (Cum. Supp. 2006) where it failed to supervise CHAIDEZ, CHURRAY, GEORGE, and SVOBODA, to ensure their compliance with the Act.

8. Within ten (10) days after the effective date of this Consent Agreement, PMFI shall pay the investigation costs of the DEPARTMENT in the amount of one thousand dollars (\$1,000.00).

9. The total amount of the fine and investigation costs, nine thousand dollars (\$9,000.00), shall be payable in one check or money order to the DEPARTMENT.

10. Within thirty (30) days after the effective date of this Consent Agreement, PMFI shall increase its surety bond to one hundred fifty thousand dollars (\$150,000.00) and submit an original surety bond rider to the DEPARTMENT reflecting such increase.

11. Within thirty (30) days after the effective date of this Consent Agreement, PMFI shall adopt a corporate policy prohibiting its employees and independent agents from using a corporation, limited liability company, or any other entity to operate a branch of PMFI in Nebraska. PMFI shall provide a copy of this policy to each current employee who resides or works in Nebraska and shall provide a copy to each Nebraska resident subsequently hired as an employee or independent agent for a period of five (5) years from the date of this Consent Agreement. PMFI shall provide a copy of this policy and proof that it has been delivered to all current employees who are Nebraska residents or work in Nebraska to the DEPARTMENT within forty (40) days after the effective date of this Consent Agreement.

12. Within thirty (30) days after the effective date of this Consent Agreement, PMFI shall adopt a corporate policy prohibiting its employees and independent agents from using a trade name to operate a branch of PMFI doing business in Nebraska unless PMFI obtains

a separate license using that trade name. PMFI shall provide a copy of this policy to each current employee who resides or works in Nebraska and shall provide a copy to each Nebraska resident subsequently hired as an employee or independent agent for a period of five (5) years from the date of this Consent Agreement. PMFI shall provide a copy of this policy and proof that it has been delivered to all current employees who are Nebraska residents or work in Nebraska to the DEPARTMENT within forty (40) days after the effective date of this Consent Agreement.

13. Within thirty (30) days after the effective date of this Consent Agreement, PMFI shall adopt a corporate policy prohibiting the employment of any individual who will conduct mortgage banking in Nebraska who has been convicted of, pleaded guilty to, or was found guilty after a plea of nolo contendere to (i) a misdemeanor under any state or federal law which involves dishonesty or fraud or which involves any aspect of the mortgage banking business, financial institution business, or installment loan business or (ii) any felony under state or federal law. PMFI shall provide a copy of this policy to each current employee who resides or works in Nebraska and shall provide a copy to each Nebraska resident subsequently hired as an employee or independent agent for a period of five (5) years from the date of this Consent Agreement. PMFI shall provide a copy of this policy and proof that it has been delivered to all current employees who are Nebraska residents or who work in Nebraska to the DEPARTMENT within forty (40) days after the effective date of this Consent Agreement.

14. Within thirty (30) days after the effective date of this Consent Agreement, PMFI shall adopt a corporate policy requiring it to conduct complete criminal background investigations on all individuals, and not just branch managers, employed by PMFI or

acting as an agent for PMFI, who will be originating loans secured by Nebraska real property.

15. The DEPARTMENT will replace PMFI's provisional license with a non-provisional license within five (5) business days after receipt of proof of compliance with Paragraphs 1 through 14 of this Consent Agreement.

16. In the event PMFI fails to comply with any of the provisions of this Consent Agreement, the DEPARTMENT may commence such action regarding PMFI as it deems necessary and appropriate in the public interest.

17. The effective date of this Consent Agreement shall be the date of the Director's signature.

DATED this 23 day of April, 2007.

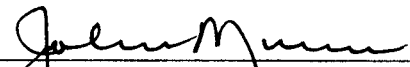
**Premier Mortgage Funding, Inc.
d/b/a PM Funding, Inc.**

By: 
Gerald Cugno, Chief Executive Officer

3001 Executive Drive, Suite 330,
Clearwater, Florida 33762
(727) 592-0838

DATED this 24th day of April, 2007.

**STATE OF NEBRASKA
DEPARTMENT OF BANKING AND FINANCE**

By: 
John Munn, Director

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