STATE OF MICHIGAN
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION

Before the Commissioner of the Office of Financial and Insurance Regulation

In the Matter of:

Kay Smith **Enforcement Case No. 09-7319**

Respondent.
_____/

Issued and Entered
This 20th day of August, 2009
By Stephen R. Hilker
Chief Deputy Commissioner

CONSENT ORDER OF PROHIBITION PURSUANT TO SECTION 18a OF THE MORTGAGE BROKERS, LENDERS, AND SERVICERS LICENSING ACT

WHEREAS, based upon information derived from the exercise of its regulatory responsibilities pursuant to the Mortgage Brokers, Lenders, and Servicers Licensing Act ("MBLSLA"), 1987 PA 173, as amended, MCL 445.1651 *et seq.*, and a thorough review of pertinent mortgage documents obtained therewith, the Office of Financial and Insurance Regulation ("OFIR") has good cause and reason to believe that Kay Smith ("SMITH") has engaged in fraud in relation to a primary residency fraud and kickback scheme involving at least two residential mortgage loans and that there are, therefore, grounds to initiate an administrative prohibition proceeding against her pursuant to MCL 445.1668a; and,

WHEREAS, OFIR staff and SMITH have discussed the facts, circumstances, and allegations surrounding this matter and SMITH expressed her desire to cooperate with OFIR and to avoid the time and expense of such administrative prohibition proceeding; and,

WHEREAS, by affixing her signature to the attached VOLUNTARY CONSENT TO ENTRY OF CHIEF DEPUTY COMMISSIONER'S ORDER OF PROHIBITION, incorporated herein by this reference, SMITH has consented, without adjudication of the merits and without admitting that such grounds exist, to the issuance of this CONSENT ORDER OF PROHIBITION ("Order") by the Chief Deputy Commissioner of OFIR with the intent to be legally bound hereby, and has agreed to comply with each and every provision of this Order, and has waived and relinquished any and all rights she may now or hereafter have: (a) to be served with a written notice of OFIR's charges against her pursuant to MCL 445.1668a(2); (b) to a hearing pursuant to MCL 445.1668a(2) for the purpose of taking evidence with respect to any matter implied or set forth in this Order; (c) to obtain judicial review of this Order or any provision hereof, including, without limitation, any such right provided by MCL 24.301 or otherwise; and (d) to challenge or contest in any matter the basis, issuance, validity, effectiveness, or enforceability of this Order or any provision hereof.

NOW, THEREFORE, prior to taking any testimony or adjudication of or finding on any issue of fact or law herein, and without this Order constituting an admission by SMITH of any allegation made or implied by OFIR in connection with this proceeding, and solely for the purposes of settlement of this proceeding without protracted or extended hearing or testimony:

IT IS HEREBY ORDERED, pursuant to Section 18a of the MBLSLA, MCL 445.1668a, that:

1. SMITH is hereby and henceforth prohibited from being employed by, an agent of, or control person of a licensee or registrant under the MBLSLA, or a licensee or registrant under a financial licensing act.

2. Any violation of this Order shall separately subject SMITH to appropriate criminal penalties under Section 18d of the MBLSLA, MCL 445.1668d.

3. SMITH shall promptly respond to any request from OFIR for documents, testimony, and other requests for information that OFIR requests to demonstrate to the satisfaction of the Commissioner that SMITH is in full compliance with this Order.

4. The provisions of this Order shall not bar, estop, or otherwise prevent OFIR or any Federal or state agency or department from taking any other action affecting SMITH, provided, however, that OFIR shall not take any further action against SMITH relating to the matters addressed by this Order.

5. This Order shall be and is effective and enforceable on the date it is issued, as shown in the caption hereof.

6. This Order shall remain effective and enforceable until terminated, modified, set aside, or suspended in writing by the Commissioner.

IT IS SO ORDERED.

OFFICE OF FINANCIAL AND INSURANCE REGULATION

Stephen R. Hilker

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Chief Deputy Commissioner

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AUG 2 2 2009

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VOLUNTARY CONSENT TO ENTRY OF CHIEF DEPUTY COMMISSIONER'S ORDER OF PROHIBITION

I, Kay Smith, with the intent to be legally bound, hereby knowingly and voluntarily consent to the attached chief deputy commissioner's Order of Prohibition in this matter, and further, in consideration of the terms and conditions set forth therein, also voluntarily waive and give up any and all right that I may now or hereafter have to administrative or judicial review concerning, or otherwise challenge or contest, the entry of the attached chief deputy commissioner's Order of Prohibition in this matter.

8-19-09
DATED

Kay Smith
Kay Smith

Subscribed and sworn to before me on this 19 day of August, 2009.

SHAYLA NICOLE CALDWELL
NOTARY PUBLIC - STATE OF MICHIGAN
COUNTY OF OAKLAND
My Commission expires July 23, 2013
Acting in the County of Oakland

NOTARY PUBLIC
In and for the County of Oakland
Michigan
My commission expires 7/23/2013