

STATE OF INDIANA
OFFICE OF THE SECRETARY OF STATE
SECURITIES DIVISION

FILED
JAN 22 2010

IN THE MATTER OF:)
)
LIMESTONE MORTGAGE COMPANY, INC.,) Cause No.: 09-0236 CA
)
)
Respondent.)

CONSENT AGREEMENT

The Office of the Indiana Secretary of State, Securities Division (“Division”) and Limestone Mortgage Company, Inc. (“LMC”) do hereby agree and stipulate that:

1. The Division alleged that LMC is a domestic corporation with a last known principal office address of 204 E. Main Street, Suite 7, Paoli, IN 47454. LMC is a licensed loan broker in the state of Indiana with a license number of 04-0228 LB.
2. The Division alleged that from at least August 5, 2008, to September 2, 2009, LMC failed to designate pre-paid finance charges, including origination or discount points, underwriting fees, tax service fees, processing fees, and closing fees on Good Faith Estimates provided to borrowers, in violation of the Truth in Lending Act (“TILA”), 15 U.S.C. 1601, 12 C.F.R. 226.4 of Regulation Z, and/or Ind. Code § 23-2-5-20(a)(10).
3. The Division alleged that on or about August 5, 2008, LMC charged a borrower forty-two dollars and twenty-five cents (\$42.25) for one (1) credit report although the actual cost of the report was eight dollars and ninety-seven cents (\$8.97).
4. The Division alleged that on or about September 3, 2009, LMC charged a borrower forty-eight dollars and thirty-four cents (\$48.34) for one (1) credit report although the actual cost of the report was nine dollars and forty-seven cents (\$9.47).

5. The Division alleged that on or about October 9, 2009, LMC charged a borrower thirty-nine dollars and thirty-six cents (\$39.36) for one (1) credit report although the actual cost of the report was seventeen dollars and forty-four cents (\$17.44).
6. The Division alleged that the amount of such fees charged by LMC to clients in excess of the actual cost of such reports are not bona fide third party fees, in violation of Ind. Code § 23-2-5-20(4) and 710 IAC 1-22-6(2).
7. In order to amicably resolve this matter and avoid the expense, inconvenience and uncertainty of further administrative proceedings, and without any admission of fault or wrongdoing by LMC, the parties agree as follows:
 - A. LMC hereby waives its right to a hearing pursuant to Ind. Code § 23-2-5-10(e);
 - B. LMC hereby waives its right to an appeal pursuant to Ind. Code § 23-2-5-22;
 - C. LMC shall pay a civil penalty in the aggregate amount of two thousand dollars (\$2,000) for alleged violations of the Indiana Loan Broker Act, Ind. Code 23-2-5 (“Act”); and
 - D. LMC agrees not to violate the provisions of the Act in the future.

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8. The failure of LMC to adhere to the terms of this Consent Agreement shall constitute grounds for administrative action by the Division against LMC.
9. This Consent Agreement is executed in the public interest to avoid the necessity and burden of a public hearing. It does not constitute an admission by or a finding or determination against LMC of any violation of the Act or the rules and regulations promulgated thereunder and may not be used, except as stated in paragraph 8 or to show repetitive conduct should LMC commit future violations of the Act, for any further proceeding or disqualification, including, but not limited to, any denial of license, registration, or exemption from registration requirements. Nor does it constitute abandonment of the claims raised by the Division. The entry of this Consent Agreement merely reflects the parties' mutual desire to resolve this matter without the burden and expense of formal administrative proceedings.
10. This Consent Agreement shall have no effect on the Division's ability to take action with regard to any complaint or complaints against LMC concerning matters not noted in this Consent Agreement.
11. The parties to this Consent Agreement agree that all the terms of the Agreement are contractual and that none is a mere recital.
12. Payment of all amounts due the Division as provided herein shall be tendered to the Division with an executed copy of this Agreement.
13. This Consent Agreement may be executed in multiple counterparts, each of which shall be considered binding on all parties.

14. This Consent Agreement is expressly subject to the approval of the Securities Commissioner and should the Securities Commissioner fail or refuse, for any reason, to approve this Agreement, the same shall be of no force or effect, and it shall not be admissible into evidence nor referred to in any hearing or other proceeding held in connection with the matters referred to herein.

Limestone Mortgage Company, Inc.

By: Matthew S. Nikiro

Printed: Matthew S. Nikiro

Indiana Secretary of State,
Securities Division

By: Cynthia Lee

Cynthia Lee
Enforcement Attorney

APPROVED and ORDERED at Indianapolis, Indiana this 22ND day of JANUARY, ~~2009~~ 2010.



TODD ROKITA
SECRETARY OF STATE

Chris Naylor

CHRIS NAYLOR
SECURITIES COMMISSIONER