

UNITED STATES BANKRUPTCY COURT  
MIDDLE DISTRICT OF FLORIDA  
JACKSONVILLE DIVISION

In re:

TAYLOR, BEAN & WHITAKER  
MORTGAGE CORP., REO SPECIALISTS,  
LLC and HOME AMERICA MORTGAGE,  
INC.,

Debtors.

Chapter 11

Case No. 3:09-bk-07047-JAF  
Case No. 3:09-bk-10022-JAF  
Case No. 3:09-bk-10023-JAF

In re:

TAYLOR, BEAN & WHITAKER  
MORTGAGE CORP.,

Applicable Debtor.

Case No. 3:09-bk-07047-JAF

**MOTION TO APPROVE STIPULATION AND CONSENT  
AGREEMENT IN CONNECTION WITH THE SALE OF  
CERTAIN OF THE DEBTOR'S MORTGAGE LOANS**

TAYLOR, BEAN & WHITAKER MORTGAGE CORP., as debtor and debtor in possession (“**Taylor Bean**” or the “**Debtor**”), by and through its undersigned counsel, hereby moves this Court (the “**Motion**”), pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure, for an order approving the Stipulation and Consent Agreement between Taylor Bean and the Commonwealth of Kentucky, Department of Financial Institutions (“**DFI**”). In support of its Motion, the Debtor respectfully represents as follows:

1. On December 10, 2010, the Debtor filed with the Court its *Motion for an Order (I) Approving the Sale of Certain Mortgage Loans Free and Clear of All Liens, Claims and Interests, (II) Approving Bidding Procedures and Terms of Auction, (III) Setting Hearing Date for Approval of Proposed Sale, (IV) Fixing Deadline for Objections to Proposed Sale,*

*(V) Approving Form and Manner of Service for Sale Notice and Procedures Order, (VI) Approving Stalking Horse Protections, (VII) Authorizing Expense Reimbursement and (VIII) Granting Related Relief* (the “**Sale Motion**”) [Docket No. 2263].

2. As outlined in the Sale Motion, the Debtor and Selene Finance LP (“**Selene**”) entered into a Mortgage Loan Purchase and Sale Agreement, dated December 10, 2010, and attached to the Sale Motion as Exhibit A (the “**Stalking Horse Agreement**”) whereby Selene agreed to purchase the Debtor’s rights and interests in approximately 678 mortgage loans (the “**Mortgage Loans**”).

3. Certain Mortgage Loans contemplated under the Stalking Horse Agreement are subject to C&D Orders<sup>1</sup> issued by four states: Connecticut, Illinois, Kentucky, and North Carolina (the “**C&D Mortgage Loans**”). The C&D orders restrict the ability of the Debtor or other party to foreclosure or otherwise take certain action with respect to the underlying collateral securing the C&D Mortgage Loans. Pursuant to the Stalking Horse Agreement, Selene could elect, on or before January 10, 2011 (the “**C&D Withdrawal Date**”), to withdraw from the Mortgage Loan Schedule those C&D Mortgage Loans where no Vacation Agreement had been issued by the respective state.

4. As of the C&D Withdrawal Date, the Debtor had not obtained Vacation Agreements with respect to the C&D Mortgage Loans from any issuing state. Therefore, the Debtor and Selene amended the Stalking Horse Agreement pursuant to the terms of a First Amendment to Mortgage Loan Purchase and Sale Agreement (the “**Amendment**”). The Amendment was filed with the Court on January 18, 2011 [Docket No. 2490].

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<sup>1</sup> All capitalized terms not defined herein shall have the meaning ascribed thereto in the Stalking Horse Agreement.

5. The material provisions of the Amendment provide that Selene, rather than withdrawing the C&D Mortgage Loans from the Mortgage Loan Schedule, will defer closing on the C&D Mortgage Loans (the “**Deferred Purchase Mortgage Loans**”). If, on or before March 15, 2011, a state enters into a Vacation Agreement with regard to the respective C&D Mortgage Loans, the closing of such Deferred Purchase Mortgage Loans shall occur within five (5) business days after delivery of the Vacation Agreement to the Debtor. If, however, any issuing state has not entered into a Vacation Agreement with regard to the respective C&D Mortgage Loans on or before March 15, 2011, Selene shall be deemed to have withdrawn from the Mortgage Loan Schedule all of the Deferred Purchase Mortgage Loans originating from such state. Those Deferred Mortgage Loans removed from the Mortgage Loan Schedule shall be deemed Purchaser Excluded Mortgage Loans, Selene’s right and obligation to purchase such Deferred Purchase Mortgage Loans shall terminate, and any deposit remaining with respect to such Deferred Purchase Mortgage Loans shall be returned to Selene.

6. On March 4, 2011, the Debtor and Selene entered into a Second Amendment to Mortgage Loan Purchase and Sale Agreement (the “**Second Amendment**”), filed with the Court contemporaneously herewith. The Second Amendment provides, among other things, that the date on which Selene shall be deemed to have withdrawn from the Mortgage Loan Schedule the Deferred Purchase Mortgage Loans originating in states that have not entered into a Vacation Agreement shall be extended from March 15, 2011, until April 30, 2011.

7. The Debtor received no additional bids with respect to the Mortgage Loans, and the sale of the Mortgage Loans to Selene was approved by order of the Court, entered on February 4, 2011 [Docket No. 2630] (the “**Sale Order**”).

8. Following entry of the Sale Order, Taylor Bean reached an agreement with the Connecticut Banking Commissioner whereby any language contained in the Connecticut C&D Orders prohibiting Taylor Bean, any servicer, or purchaser of mortgage loans currently or previously owned, originated, or serviced by Taylor Bean from commencing or proceeding with foreclosure proceedings was vacated. Such agreement was filed with the Court on February 28, 2011 [Docket No. 2742] and subsequently approved by the Court.

9. The Debtor has reached a similar agreement with the DFI regarding the C&D Orders issued by Kentucky. The terms and conditions of the agreement were memorialized in a Stipulation and Consent Agreement attached hereto as Exhibit A (the “**Agreement**”).

10. The material terms of the Agreement provide for the following:

- i. Taylor Bean agrees to a permanent revocation of its mortgage lender license and all branch licenses;
- ii. Taylor Bean is permanently barred from obtaining a license from the DFI;
- iii. The DFI is not prohibited by the automatic stay provision of 11 U.S.C § 362 from filing a claim against Taylor Bean’s surety bond issued by Fidelity and Deposit Company of Maryland to collect fines and costs outlined in paragraphs 20 and 21 of the Agreement;
- iv. Subject to bankruptcy court approval, DFI shall have a general unsecured TBW Class 8 claim to recover amounts set forth in paragraphs 20 and 21 of the Agreement in the event such amounts are not recovered from the surety bond referenced in subparagraph (ii) above, but in no event shall such claim against the Debtor’s estate exceed \$221,434.72;
- v. The Cease and Desist Order and Final Order Affirming the Cease and Desist Order will be vacated in their entirety, including any language prohibiting Taylor Bean, any servicer, or purchaser of mortgage loans currently or previously owned, originated, or serviced by Taylor Bean from commencing or proceeding with foreclosure proceedings;
- vi. Taylor Bean and DFI agree to a mutual release of all claims and causes of action arising out of the Agreement, its administration, and the underlying investigation and disciplinary action; and

vii. Taylor Bean agrees to withdraw its appeals, with prejudice, currently pending in the Franklin Circuit Court.

11. The Agreement is expressly conditioned upon Bankruptcy Court approval.

12. The Debtor has determined that approval of the Agreement is in the best interests of the Debtor's estate and creditors, as its terms will likely lead to an increased monetary recovery for the sale of the Mortgage Loans.

**WHEREFORE**, the Debtor respectfully requests that the Court enter an order:

- A. approving the Agreement; and
- B. providing such other and further relief as is just and proper.

Dated this 29th day of March, 2011.

/s/ Jeffrey W. Kelley

Jeffrey W. Kelley (Ga. Bar No. 412296)

jeffrey.kelley@troutmansanders.com

**TROUTMAN SANDERS LLP**

Bank of America Plaza

Suite 5200

600 Peachtree Street, N.E.

Atlanta, Georgia 30308-2216

Telephone No.: (404) 885-3000

Facsimile No.: (404) 885-3900

***Special Counsel for Debtor***

UNITED STATES BANKRUPTCY COURT  
MIDDLE DISTRICT OF FLORIDA  
JACKSONVILLE DIVISION

In re:

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MORTGAGE CORP., REO SPECIALISTS,  
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**CERTIFICATE OF SERVICE**

I, Jeffrey W. Kelley, certify that I am over the age of 18 and that, on March 29, 2011, I caused a copy of the foregoing *Motion to Approve Stipulation and Consent Agreement in Connection with the Sale of Certain of the Debtor's Mortgage Loans* to be served upon those persons or entities receiving notice through this Court's CM/ECF system.

/s/ Jeffrey W. Kelley

Troutman Sanders LLP  
(404) 885-3000

**COMMONWEALTH OF KENTUCKY  
PUBLIC PROTECTION CABINET  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
ADMINISTRATIVE ACTION NOS. 09-PPC-0222; 09-PPC-0216 & 10-PPC-0082**

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

vs.

TAYLOR, BEAN & WHITAKER MORTGAGE  
CORPORATION

RESPONDENT

**STIPULATION AND CONSENT AGREEMENT**

Seeking to resolve the above-captioned litigation, including Administrative Action Nos. 09-PPC-0222; 09-PPC-0216 & 10-PPC-0082 and any and all appeals, including Civil Action Nos. 2010-CI-1402, 2010-CI-1910, and 2010-CI-1911 pending in Franklin Circuit Court, the Department of Financial Institutions (“DFI”) and Taylor, Bean & Whitaker Mortgage Corp. (Taylor Bean”), on behalf of itself and its successors, assigns, predecessors, and any future acquired or created corporations or other business entities of Taylor Bean, hereby stipulate and agree to the terms of this Stipulation and Consent Agreement (“Consent Agreement”).

**BACKGROUND**

1. DFI is responsible for regulating and licensing mortgage loan companies and mortgage loan brokers doing business in Kentucky in accordance with the provisions of KRS Chapter 286.8, the Mortgage Loan Company and Mortgage Loan Broker Act (the “Act”).

2. On February 1, 2007, Taylor Bean was issued a mortgage company license by DFI for the purpose of engaging in the mortgage company business in the Commonwealth of Kentucky with its principal place of business located at 315 N.E. 14<sup>th</sup> Street, Ocala, Florida, 34470. As required by KRS 286.8-060, Taylor Bean caused a surety bond in the amount of \$250,000 to be issued by Fidelity and Deposit Company of Maryland. The surety bond became

effective on January 10, 2007, and was issued for the benefit of the Commissioner and Kentucky consumers.

3. Taylor Bean was the largest independent (*i.e.*, non-depository owned) mortgage lender in the United States and its principal business comprised the following:

- Origination, underwriting, processing and funding of conforming conventional and Government-insured residential mortgage loans;
- Sale of mortgage loans into the “secondary market,” principally to government-sponsored enterprises such as the Federal Home Loan Mortgage Corporation (“Freddie Mac”) or the Government National Mortgage Association (“Ginnie Mae”); and
- Mortgage payment processing and loan servicing.

4. On or about August 5, 2009, a hold was placed on Taylor Bean’s accounts at Colonial Bank, including those used by Taylor Bean in its mortgage servicing operations.

5. Pursuant to an order of the Alabama State Banking Department, dated August 14, 2009, Colonial Bank was closed and the Federal Deposit Insurance Corporation (“FDIC”) was appointed as its receiver. As a result, the FDIC-Receiver succeeded to all rights, titles, powers, and privileges of Colonial Bank and of any stockholder, member, accountholder, depositor, officer, or director of Colonial Bank with respect to the institution and the assets of the institution pursuant to 12 U.S.C. § 1821(d)(2)(A)(i).

6. These events resulted in myriad of problems for Taylor Bean and ultimately caused more than forty (40) regulatory actions by states against Taylor Bean. In particular, the actions of Freddie Mac terminating Taylor Bean’s seller and servicer eligibility and Ginnie Mae



providing a “notice of Default” to Taylor Bean regarding certain mortgage-backed securities pools led to the actions.

7. On August 24, 2009, Taylor Bean filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code, *In re Taylor, Bean & Whitaker Mortgage Corp.*, Case No. 3:09-bk-07047 in the United States Bankruptcy Court, Middle District of Florida, Jacksonville Division (“Bankruptcy Court”).

8. A written stipulation between Debtor Taylor Bean and the Federal Deposit Insurance Corporation was approved by the Bankruptcy Court in orders entered September 29, 2009, and October 16, 2009 [Docket Nos. 348 & 468].

9. On February 24, 2010, an Order Establishing Protocol to Resolve Borrower Issues (“Borrower Protocol”) was entered by the Bankruptcy Court [Docket No. 1079]. The Borrower Protocol addresses several issues, including insurance proceeds, tax and insurance escrow refunds, bounced checks written on Platinum Escrow Disbursement Clearing Accounts, and net-funded loans.

10. Debtor Taylor Bean’s Final Reconciliation Report, dated July 1, 2010 [Docket No. 1644], also addressed consumer issues set forth in the Borrower Protocol referenced in paragraph 9 above.

11. In these matters, DFI entered an Order to Cease and Desist and a Supplemental Order to Cease and Desist on August 17, 2009, and September 8, 2009, respectively, against Taylor Bean. Hearing Requests in response thereto were filed by Taylor Bean on September 4, 2009 and September 25, 2009.

12. The Order to Cease and Desist and Supplemental Order to Cease and Desist allege the following:

- Taylor Bean did not have sufficient warehouse funds available to fund, or any other available source of funds for loans relating to approximately 800 Kentucky residential properties or borrowers;
- Taylor Bean is the subject of at least ten (10) administrative cease and desist orders;
- Taylor Bean has no ability to access its depository or servicing accounts at its banking institution because those accounts are frozen; therefore, Taylor Bean is unable to transact business effectively for the benefit of Kentucky consumers; and
- Taylor Bean failed to notify the Commissioner in writing, within ten (10) days of closing its operations.

13. DFI filed an Administrative Complaint against Taylor Bean on August 21, 2009. DFI conducted an examination of Taylor Bean on January 12, 2009, to determine whether the activities of Taylor Bean were in compliance with Kentucky law and regulations. This Administrative Complaint set forth alleged violations of the Act, which were discovered during the examination. Specifically, several violations of KRS 286.8-030 were alleged. Taylor Bean filed an Answer and Request for Hearing in response to the Administrative Complaint on September 10, 2009.

14. DFI entered a second Administrative Complaint on March 11, 2010. This Administrative Complaint set forth alleged consumer violations, including *inter alia*, failing to provide proper accounting to certain borrowers, failing to provide refunds of any interest earned on the borrowers' escrow accounts, failing to provide proper escrow funds, and failure to pay the taxes and insurance on the residential real property despite the fact that monies had been given to

Taylor Bean for this purpose. Taylor Bean filed an Answer and Request for Hearing in response to the second Administrative Complaint on March 23, 2010.

15. A hearing before Hearing Officer Michael Head was held on all administrative actions on March 25, 2010. Pursuant to Hearing Officer Head's request at the close of the hearing as well as a follow-up teleconference, both parties were instructed to provide Hearing Officer Head with recommended orders on June 28, 2010.

16. On or about August 3, 2010, Hearing Officer Michael Head issued the Final Order Affirming Cease and Desist Order issued in Action No. 09-PPC-0222. On or about September 17, 2010, Taylor Bean filed a Complaint and Petition for Judicial Review in the Franklin Circuit Court, Civil Action No. 2010-CI-1402.

17. On or about August 3, 2010, Hearing Officer Head submitted Findings of Fact, Conclusions of Law, and Recommended Orders for Action Nos. 09-PPC-0216 and 10-PPC-0082 to Commissioner Charles A. Vice.

18. On or about August 23, 2010, Taylor Bean filed Exceptions to the Findings of Fact, Conclusions of Law and Recommended Orders for Action Nos. 09-PPC-0216 and 10-PPC-0082 with Commissioner Vice.

19. On or about November 4, 2010 Commissioner Vice entered Final Orders for Action Nos. 09-PPC-0216 and 10-PPC-0082.

20. The Final Order for Action No. 09-PPC-0216, *inter alia*, (1) finds that Taylor Bean violated the provisions of KRS Chapter 286.9 as set forth in Hearing Officer Head's Findings of Fact, Conclusions of Law, and Recommended Order; (2) assesses a fine in the amount of \$200,000.00; (3) concludes that DFI is precluded from attempting to collect said fine from Taylor Bean during the pendency of the Automatic Stay other than in accordance with the

bankruptcy law; and (4) concludes that DFI may proceed to collect such fine during the pendency of the Automatic Stay by filing a claim against the surety bond issued by Fidelity Deposit Company of Maryland.

21. The Final Order for Action No. and 10-PPC-0082, *inter alia*, (1) finds that Taylor Bean violated the provisions of KRS Chapter 286.9 as set forth in the Recommended Order; (2) orders that restitution to customers in the amount of \$20,694.27 and fees and costs of \$740.45 is appropriate and is imposed pursuant to DFI's police and regulatory powers; (3) concludes that DFI is precluded from attempting to collect said restitution, fees, and costs from Taylor Bean during the pendency of the Automatic Stay other than in accordance with the bankruptcy law; and (4) concludes that DFI may proceed to collect said restitution, fees, and costs during the pendency of the Automatic Stay by filing a claim against the surety bond issued by Fidelity Deposit Company of Maryland.

22. Currently, Taylor Bean is no longer originating or servicing loans in the Commonwealth of Kentucky.

#### **STATUTORY AUTHORITY**

23. The Commonwealth of Kentucky, by and through the Commissioner of DFI, is responsible for regulating and licensing mortgage loan brokers, mortgage loan companies, mortgage loan originators, and mortgage loan processors in accordance with the provisions set forth in the Act.

24. Pursuant to KRS 286.8-090(1)(a), the Commissioner may issue a cease and desist order upon a finding that the licensee "has failed to comply with the requirements of this subtitle."

25. Pursuant to KRS 286.8-090(1)(b), the Commissioner may issue a cease and desist order upon a finding that the licensee “is unfit through lack of financial responsibility or experience to conduct the business of a mortgage loan company . . . .”

26. Pursuant to KRS 286.8-090(1)(e), the Commissioner may issue a cease and desist order upon a finding that the licensee “is in such a financial condition that he cannot continue in business with safety to his customers.”

27. Pursuant to KRS 286.8-090(1)(f), the Commissioner may issue a cease and desist order upon a finding that the licensee “is the subject of an administrative cease and desist order or similar order.”

28. Pursuant to KRS 286.8-044, the executive director (now Commissioner) may file an administrative complaint against any person if it “appears on grounds satisfactory to the executive director that a potential or actual violation of this subtitle has been committed and when the person may be subject to the penalties of KRS 286.8-046, 286.8-090, and 286.8-990.”

29. Pursuant to KRS 286.8-060(2), every surety bond “shall provide for suit thereon by any person who has a cause of action under this subtitle. The total liability of the surety, to all persons, cumulative or otherwise, shall not exceed the amount specified in the bond.” In addition, the surety bond “shall be in a form prescribed by the executive director and shall be made payable to the executive director.” KRS 286.8-060(3). Every surety bond “shall be available for the recovery of expenses, fines, restitution, and fees levied by the executive director under this subtitle, and for losses or damages that have been incurred by any borrower or consumer as a result of the registrant’s or licensee’s failure to comply with the requirements of this subtitle.” KRS 286.8-060(4).

**STIPULATED FINDINGS AND AGREEMENT**

30. In the interest of efficiently resolving the underlying alleged violation(s) described herein and as set forth more fully in the Order to Cease and Desist, Supplemental Order to Cease and Desist, and Administrative Complaints, DFI and Taylor Bean agree as follows:

- a. Taylor Bean is currently in a liquidating Chapter 11 bankruptcy. While the reconciliation of Taylor Bean's accounts remains ongoing, Taylor Bean anticipates that there will be a significant shortfall between its assets and liabilities in the bankruptcy case. Any fine, restitution, or costs collected by DFI would reduce the money potentially available to investors and consumers for distribution in the bankruptcy.
- b. Without determining the applicability of the automatic stay provision of the United States Bankruptcy Code, 11 U.S.C. § 362, Taylor Bean agrees to DFI's authority to enter the terms and conditions set forth in this Consent Agreement.
- c. The parties agree that the automatic stay provisions of 11 U.S.C. § 362 do not preclude DFI from seeking to collect any fine, restitution, or costs from Taylor Bean's surety bond issued by Fidelity and Deposit Company of Maryland.
- d. Subject to bankruptcy court approval, the DFI shall have a general unsecured TBW Class 8 claim in the bankruptcy proceeding to recover the amounts set forth in paragraphs 20 and 21 of this Consent Agreement to the extent said amounts are not recovered from the surety bond. In no event will the amounts DFI seeks to recover exceed \$221,434.72 (the amounts described in paragraphs 20 and 21).

- e. Taylor Bean will not require licensure from DFI, nor will it apply for a license.

Currently, Taylor Bean has moved its electronic servers to a server farm in Tampa and Taylor Bean has vacated the Ocala headquarters and is currently operating at 4901 Vineland Road, Suite 120, Orlando, FL 32811.

- f. Taylor Bean further respects the resolution of consumer issues as provided by the Borrower Protocol and the Final Reconciliation Report, which were entered by the Bankruptcy Court.
- g. Taylor Bean agrees to the permanent revocation of its mortgage lender license and all branch licenses. Such revocation will become effective upon the docket date of the Final Order adopting this Consent Agreement and Taylor Bean's withdrawal of its Complaint and Petition for Judicial Review filed in Franklin Circuit Court. Notwithstanding the revocation of its mortgage lender license, Taylor Bean shall be permitted to monitor and sell any and all loans remaining in its portfolio.
- h. Upon entry of the Final Order adopting this Consent Agreement, the Cease and Desist Order and the Final Order Affirming Cease and Desist Order will be vacated in their entirety, including but not limited to any and all language prohibiting Taylor Bean and any servicers or purchasers of loans currently owned by Taylor Bean, previously owned by Taylor Bean, originated by Taylor Bean, or previously serviced by Taylor Bean, from commencing or proceeding with foreclosure proceedings, provided that proper foreclosure procedures are observed by Taylor Bean or any purchasers of the loans.

- i. Taylor Bean agrees to the permanent bar on obtaining any license from DFI and will not seek licensure from DFI at any point in the future.
- j. In consideration of execution of this Order, the DFI for themselves, and for their successors and assigns, hereby release and forever discharge Taylor Bean and each of its current agents, directors, officers, attorneys and employees in their individual capacities, from any and all manner of actions, causes of action, suits, debts, judgments, executions, claims and demands whatsoever, known and unknown, in law or equity, that the Commonwealth has ever had, now has, may have or claim to have against any or all of the persons or entities named in this paragraph arising out of or by reason of this investigation, this disciplinary action, this settlement, or its administration.
- k. In consideration of execution of this Order, Taylor Bean for themselves, and for their successors and assigns, hereby release and forever discharge the DFI for themselves, and for their successors and assigns, hereby release and forever discharge the DFI and each of its current agents, directors, officers, attorneys and employees in their individual capacities, from any and all manner of actions, causes of action, suits, debts, judgments, executions, claims and demands whatsoever, known and unknown, in law or equity, that Taylor Bean has ever had, now has, may have or claim to have against any or all of the persons or entities named in this paragraph arising out of or by reason of this investigation, this disciplinary action, this settlement, or its administration.
- l. Final Order. Taylor Bean consents to the issuance by DFI of a Final Order, which incorporates the terms of this Agreement. Taylor Bean understands and



agrees that this Consent Agreement is subject to the final approval of the Commissioner of the DFI and the entry of the Final Order adopting same. In the event that the Final Order is not entered, this Consent Agreement shall be null and void. The Final Order incorporating this Consent Agreement constitutes final agency action by DFI.

- m. Upon issuance of the Final Order, Taylor Bean agrees to withdraw its appeals, with prejudice, currently pending in Franklin Circuit Court styled *Taylor, Bean & Whitaker Mortgage Corporation*, Civil Action No. 2010-CI-1402, *Taylor, Bean & Whitaker Mortgage Corporation*, Civil Action No. 2010-CI-1910, and *Taylor, Bean & Whitaker Mortgage Corporation*, Civil Action No. 2010-CI-1911.
- n. Taylor Bean agrees to file this Stipulation and Consent Agreement with the bankruptcy court and obtain the court's approval that Taylor Bean is authorized to enter into the Stipulation and Consent Agreement with regards to *In re Taylor, Bean & Whitaker Mortgage Corporation.*, Case No. 3:09-bk-07047.
- o. In the event the Stipulation and Consent Agreement is set aside, the underlying administrative actions brought by the DFI may be reinstated without further administrative action on behalf of the DFI.
- p. Waiver. By Taylor Bean's consent to the entry of the Final Order with respect to this proceeding, Taylor Bean knowingly and voluntarily waives:
  - i) any right to an administrative hearing; and
  - ii) any and all rights to object to or challenge in any judicial proceeding, including but not limited to, an appeal, any term,

condition, obligation, or duty expressly created by any Final Order entered consistent with the terms of this Consent Agreement.

- q. Failure to Comply. Taylor Bean has entered this Consent Agreement voluntarily and attests it has read and understands the terms of this Consent Agreement.

Taylor Bean acknowledges, concurs and stipulates that its failure to comply with any of the terms, obligations and conditions of this Consent Agreement, and the Final Order adopting it, is a violation of the written agreement and the Final Order. Such non-compliance may result in the issuance of an emergency order. However, nothing herein shall be construed to limit Taylor Bean's right to contest any finding or determination of non-compliance.

- r. Attorneys' Fees. Each party herein shall be solely responsible for its attorneys' fees and costs incurred up to and including entry of the Final Order in this matter.

- s. Publication and Release. Taylor Bean consents to the publication and release of this Order.

- t. Entire Agreement. This Consent Agreement contains the whole agreement between DFI and Taylor Bean. There are no other terms, obligations, covenants, representations, statements, conditions, or otherwise, of any kind whatsoever concerning this Consent Agreement. This Consent Agreement may be amended in writing by mutual agreement by DFI and Taylor Bean.

- u. Binding Nature. DFI and Taylor Bean intend to be and are legally bound by the terms of this Consent Agreement.

- v. Counsel. This Consent Agreement is entered into by the parties upon full opportunity for legal advice from legal counsel.

w. Other Enforcement Action.

i) DFI reserves all of its rights, duties, and authority to enforce all statutes rules and regulations under its jurisdiction against Taylor Bean in the future regarding all matters not resolved by this Consent Agreement; and

ii) Taylor Bean acknowledges and agrees that this Consent Agreement is only binding upon DFI and not any other local, state or federal agency, department or office regarding matters within this Consent Agreement.

x. Authorization. The signatories below are authorized to execute this Consent Agreement and legally bind their respective parties.

y. Counterparts. This Consent Agreement may be executed in separate counterparts and by facsimile.

z. Titles. The titles used to identify the paragraphs of this document are for the convenience of reference only and do not control the interpretation of this document.

aa. Governing Law and Venue. During the pendency of the bankruptcy action, this agreement shall be governed by United States bankruptcy laws, including the United States Bankruptcy Code, and the parties agree that the United States Bankruptcy Court, Middle District of Florida, Jacksonville Division, shall be the appropriate venue for any dispute arising from this Consent Agreement. Thereafter, the agreement shall be governed by Kentucky law and the venue for any dispute arising from this Consent Agreement is Franklin Circuit Court.

BY: TAYLOR BEAN & WHITAKER MORTGAGE CORP.

IN WITNESS WHEREOF, Respondent, TAYLOR BEAN & WHITAKER MORTGAGE  
CORP. has caused this Agreement to be executed by \_\_\_\_\_ of  
Navigant Consulting, Inc. on behalf of Taylor, Bean & Whitaker Mortgage Corp., as a true act  
and deed, in \_\_\_\_\_ County, Ohio, this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

BY MY SIGNATURE I hereby affirm that I am acting in my capacity and within my  
authority as an authorized representative of TAYLOR, BEAN & WHITAKER MORTGAGE  
CORP.

Neil Lurie  
[Print Name]

Chief Restructuring Officer  
[Title]

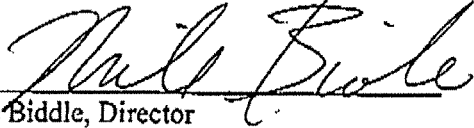
[Signature]  
[Signature]

Date: 3/16/2011

State of Ohio  
County of \_\_\_\_\_

Before me, the undersigned notary public, personally appeared \_\_\_\_\_ as  
\_\_\_\_\_ of TAYLOR BEAN & WHITAKER MORTGAGE CORP., who upon  
being duly sworn, states that (s)he has read and understands the foregoing Stipulation and  
voluntarily signed same. Sworn to and subscribed before me this \_\_\_\_\_ day of  
\_\_\_\_\_, 2011.

**BY: DEPARTMENT OF FINANCIAL INSTITUTIONS**

A handwritten signature in cursive script, appearing to read "Nicole Biddle", written over a horizontal line.

Nicole Biddle, Director  
Division of Non-Depository Institutions  
Department of Financial Institutions  
1025 Capital Center Drive, Suite 200  
Frankfort, KY 40601

Date: 3-16-11