

**BEFORE THE GEORGIA DEPARTMENT OF BANKING AND FINANCE  
STATE OF GEORGIA**

MORTGAGE SOUTH LENDERS, INC. and  
KATHRYN LEAKE,

Petitioners

vs.

GEORGIA DEPARTMENT OF  
BANKING AND FINANCE,

Respondent

DOCKET NO. DBF-MLO-17-0001-310  
DOCKET NO. DBF-MLO-17-0001-311

**FILED**

FEB 1 2017

GEORGIA DEPARTMENT OF  
BANKING AND FINANCE

**CONSENT ORDER**

On April 20, 2015, the Georgia Department of Banking and Finance (the "Department") issued a Notice of Intent to Revoke Mortgage Loan Originator's License and an Order to Cease and Desist to Kathryn Leake ("Ms. Leake"), mortgage loan originator's license number 24776 and Nationwide Mortgage Licensing System ("NMLS") number 167307, and a Notice of Intent to Revoke Annual License to Mortgage South Lenders, Inc. ("MSL"), mortgage broker's license number 6181 and NMLS number 166775, for violations of the Georgia Residential Mortgage Act (the "Act"). The Department's actions alleged that MSL and Ms. Leake ("Petitioners") made false statements likely to influence, persuade, or induce a mortgagee to take a mortgage loan or pursued a course of misrepresentation by use of fraudulent or unauthorized documents in violation of O.C.G.A. § 7-1-1013(1), (2), and (6). Further, the Department alleged that Ms. Leake, in violation of O.C.G.A. § 7-1-1004, no longer met the minimum requirements for maintaining the mortgage loan originator's license, namely by failing to demonstrate character and general fitness such as to command the confidence of the community and to warrant a determination by the Department that she would operate honestly, fairly, and efficiently within the purposes of the Georgia Residential Mortgage Act.

The Petitioners have timely submitted a request for hearing to contest the issuance of the Notice of Intent to Revoke Mortgage Loan Originator's License, Notice of Intent to Revoke Annual License, and the Order to Cease and Desist (the "Actions"). The Petitioners neither admit nor deny the violations asserted in the Actions.

The parties have reached a settlement of the issues raised by the Actions and agree to a resolution of those matters in their entirety.

Accordingly, it is hereby ORDERED as follows:

1. Upon entry of this Consent Order, the mortgage loan originator's license of Kathryn Leake and the mortgage broker's license of Mortgage South Lenders, Inc. will be deemed voluntarily surrendered under O.C.G.A. § 7-1-1017(c). The surrender of the licenses will be published by the Department and the NMLS.
2. For a period of five (5) years, Ms. Leake shall be prohibited from:
  - a. Applying for a Georgia mortgage loan originator's license, a Georgia mortgage broker's license, and/or a Georgia mortgage lender's license, either in her individual capacity or as the owner or officer of an entity; and
  - b. Directing the affairs of a Georgia mortgage broker or a Georgia mortgage lender or acting as a director, officer, partner, equitable owner, branch manager, or any other equivalent role for a Georgia mortgage broker or a Georgia mortgage lender.
3. Within five (5) business days of the date of entry of this Consent Order, MSL shall update its MU-1 filing on the NMLS to reflect the existence of this final administrative action and the restrictions set forth within.
4. Within five (5) business days of the date of entry of this Consent Order, Ms. Leake shall update her MU-2 filing on the NMLS to reflect the existence of this final administrative action and the restrictions set forth within.

5. The Department shall rescind the Notice of Intent to Revoke Mortgage Loan Originator's License and the Order to Cease and Desist issued against Kathryn Leake on April 20, 2015.
6. The Department shall rescind the Notice of Intent to Revoke Annual License issued to Mortgage South Lenders, Inc. on April 20, 2015.
7. The request for a hearing made in response to the Actions issued on April 20, 2015, is hereby withdrawn.
8. The terms of this Consent Order may be enforced by the Department pursuant to O.C.G.A. §§ 7-1-1017(g) and 7-1-1018(b).
9. This Consent Order shall be regarded as a public document that the Department may publish in the same manner as a final order of this agency.

SO ORDERED AND ENTERED, this 1<sup>st</sup> day of February 2017.

  
\_\_\_\_\_  
Kevin B. Hagler  
Commissioner  
Georgia Department of Banking and Finance

[SIGNATURES ON THE NEXT PAGE]

Consented to by:



Kathryn Leake  
Mortgage South Lenders, Inc.  
262 Church Street Northwest  
Marietta, Georgia 30060

1/17/17  
Date

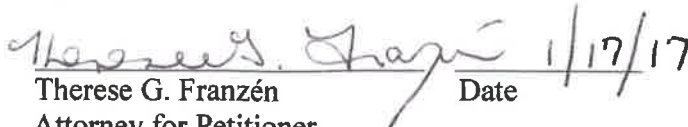


Rod Carnes, Deputy Commissioner  
Department of Banking and Finance  
2990 Brandywine Road, Suite 200  
Atlanta, Georgia 30341

02/01/17  
Date

In her individual capacity and as President  
of Mortgage South Lenders, Inc.

Approved as to form:



Therese G. Franzén  
Attorney for Petitioner  
Franzén and Salzano, P.C.  
3500 Parkway Lane, Suite 305  
Peachtree Corners, GA 30092

1/17/17  
Date