

IN THE SUPERIOR COURT OF FORSYTH COUNTY
STATE OF GEORGIA

DEPARTMENT OF BANKING AND
FINANCE,

Plaintiff,

EDU FINANCIAL SOLUTIONS a/k/a EDU
LOAN PRO f/k/a EDU HOME LOANS,
SOUTHERN BLINDS, INC., KATHY
HOOTSELLE, and CHRISTOPHER JOHN
SIMPSON,

Defendants.

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* Civil Action No.
* 18CV2003-2
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CONSENT ORDER AND JUDGMENT

Plaintiff Department of Banking and Finance (“Plaintiff”) filed this case pursuant to the authority vested in Plaintiff by the Georgia Residential Mortgage Act (“GRMA”), O.C.G.A. § 7-1-1000 *et seq.*, against Defendants EDU Financial Solutions a/k/a EDU Loan Pro. f/k/a EDU Home Loans, Southern Blinds, Inc., Kathy Hootselle, and Christopher John Simpson¹ (collectively, “Defendants”). Defendants have filed a timely answer. Plaintiff and Defendants have reached a resolution of all of the Plaintiff’s claims against Defendants in this action and agree to the terms of this Order.

THE PARTIES STIPULATE TO THE FOLLOWING FACTS:

Venue and personal jurisdiction are appropriate as to the Defendants in this Court. Defendant EDU Financial is an unincorporated entity owned by Defendant Hootselle in affiliation with Southern Blinds, Inc. and operated by Defendant Simpson for the purpose of

¹ References to Defendant Simpson include the following pseudonyms used by him in conducting EDU Financial’s operations: Beth Jacobson, Jamie Vanderbilt, and Charles Hamilton.

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generating mortgage leads from Georgia consumers, who are then referred to Defendant Simpson in his capacity as a mortgage loan originator employed by Evolve Bank and Trust.

On March 1, 2017, the Plaintiff issued to Defendant EDU Financial d/b/a EDU Home Loans, operating at the time through the website www.eduhomeloans.com, an Order to Cease and Desist from engaging in mortgage brokering activities without a license or pursuant to an applicable exemption ("First Order to Cease and Desist"). The First Order to Cease and Desist became final on September 15, 2017. A true and correct copy of the First Order to Cease and Desist is attached hereto as Exhibit A. After the First Order to Cease and Desist became final, Defendant EDU Financial continued to operate through a second website, www.edufinancialsolutions.com.

On September 19, 2017, the Plaintiff issued to Defendant EDU Financial an Order to Cease and Desist from engaging in mortgage brokering activities without a license or pursuant to an applicable exemption ("Second Order to Cease and Desist"). The Second Order to Cease and Desist became final on October 19, 2017. A true and correct copy of the Second Order to Cease and Desist is attached hereto as Exhibit B. On October 16, 2017, Defendant Simpson represented to Plaintiff that EDU Financial had terminated all business activity, including shutting down the second website. After the Second Order to Cease and Desist became final, Defendant EDU Financial continued to operate through a third website, www.eduloanpro.com, using the name EDU Loan Pro.

THE PARTIES STIPULATE TO CONCLUSIONS OF LAW as follows:

The continued operation of Defendant EDU Financial, specifically through the second and third websites, violates the terms of the First and Second Orders to Cease and Desist issued by the Plaintiff.

Directly or indirectly soliciting, processing, placing, or negotiating mortgage loans for others or offering to solicit, process, place, or negotiate mortgage loans for others is transacting business as a mortgage broker in violation of O.C.G.A. § 7-1-1002(a). Defendant EDU Financial is not exempt from the licensing requirements of the Georgia Residential Mortgage Act. Defendant EDU Financial violated O.C.G.A. § 7-1-1002(a) by offering to solicit, place, or negotiate mortgage loans for others.

Directly or indirectly controlling a person who violates O.C.G.A. § 7-1-1002(a), every general partner, executive officer, joint venturer, or director of such person, and every person occupying a similar status or performing similar functions as such person violates with and to the same extent as such person. O.C.G.A. § 7-1-1002(c). Defendants Simpson, Hootselle, and Southern Blinds, Inc. violated O.C.G.A. § 7-1-1002(c) by directly or indirectly controlling Defendant EDU Financial.

It is hereby ORDERED as follows:

1. The Court grants declaratory relief finding that the continued operation of EDU Financial Solutions d/b/a EDU Loan Pro f/k/a EDU Home Loans, including by operating the second and third websites, violated the First and Second Orders to Cease and Desist as Defendants were transacting business as an unlicensed mortgage broker in this State.

2. Defendant Hootselle, Defendant Southern Blinds, Inc., its owners, officers, agents, and employees, and Defendant EDU Financial, its owners, officers, agents, and employees are hereby forever enjoined from violating the First Order to Cease and Desist issued by the Plaintiff on March 1, 2017, and the Second Order to Cease and Desist issued by the Plaintiff on September 17, 2017. Defendant Hootselle, Defendant Southern Blinds, Inc., its owners, officers, agents, and employees, and Defendant EDU Financial, its owners, officers, agents, and employees, are

hereby forever enjoined from violating any provisions of the Georgia Residential Mortgage Act, including, but not limited to, transacting business in this State directly or indirectly as a mortgage broker, mortgage lender, or mortgage loan originator unless licensed by the Plaintiff or exempt from licensure. This injunction against unlicensed mortgage activity includes, but is not limited to, the following: (1) all solicitations, placement, and negotiation of mortgage loans; (2) all offers to solicit, place, or negotiate mortgage loans; (3) all advertisements, including through websites or other means, of products or services requiring a mortgage broker license or mortgage lender license; and, (4) directly or indirectly controlling any person engaged in unlicensed mortgage activity.

3. Defendant Simpson is hereby ordered to immediately cease and desist from engaging in activities in violation of the Georgia Residential Mortgage Act, including, but not limited to, operating EDU Financial or any of its websites. Defendant Simpson is hereby forever enjoined from violating the First Order to Cease and Desist issued by the Plaintiff on March 1, 2017, and the Second Order to Cease and Desist issue by the Plaintiff on September 17, 2017. Defendant Simpson is forever enjoined from violating any provisions of the Georgia Residential Mortgage Act, including, but not limited to, transacting business in this State directly or indirectly as a mortgage broker, mortgage lender, or mortgage loan originator unless licensed by the Plaintiff or pursuant to an applicable exemption as set forth in O.C.G.A. § 7-1-1001. This injunction against unauthorized mortgage activity includes, but is not limited to, the following: (1) all solicitations, placement, and negotiation or offers to solicit, place, or negotiate mortgage loans except to the extent that Defendant Simpson is acting within the scope of his exclusive employment with and under the daily supervision of an entity exempt from mortgage licensing such as a bank, credit

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union, or wholly owned subsidiary thereof, pursuant to O.C.G.A. § 7-1-1001; and, (2) directly or indirectly controlling any person engaged in unlicensed mortgage activity.

4. Defendants EDU Financial and Southern Blinds, Inc. shall be prohibited from making an application for a Georgia mortgage broker's license or a Georgia mortgage lender's license for a period of five (5) years. Defendants Simpson and Hootselle shall be prohibited from making an application for a Georgia mortgage broker's license or a Georgia mortgage lender's license, either in their individual capacity or as an owner or officer of a corporation, partnership, or limited liability company for a period of five (5) years.

5. Defendants shall be prohibited from directing the affairs of a Georgia mortgage broker or Georgia mortgage lender or acting as a director, officer, partner, ultimate equitable owner, or any other equivalent role for a Georgia licensed mortgage broker or Georgia licensed mortgage lender for a period of five (5) years.

6. Defendant Simpson shall be prohibited from making an application for a Georgia mortgage loan originator's license for a period of five (5) years. Defendant Simpson shall be ineligible to utilize temporary authority for mortgage loan originators moving from a depository institution to a non-depository institution pursuant to 12 U.S.C. § 5117(b)(1)(B)(i).

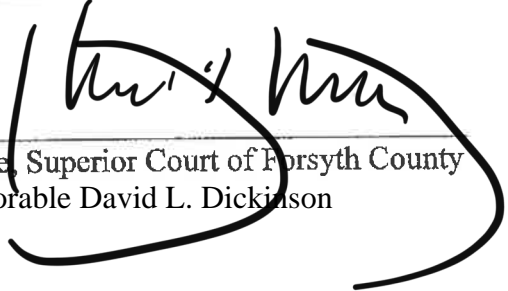
7. Defendant Simpson shall be prohibited from employment in any capacity by a Georgia licensed mortgage broker or Georgia licensed mortgage lender for a period of five (5) years. No provision of this Order shall be construed to limit Defendant Simpson's employment at a bank, credit union, or wholly owned subsidiary of such institution that is exempt from the provisions of the Georgia Residential Mortgage Act. However, if Defendant Simpson is employed by a Georgia state-chartered bank, Georgia state-chartered credit union, or a subsidiary within five (5) years of the entry of this Order, he shall notify the Department in writing of such

employment within five (5) business days of beginning employment. The notice shall be sent to the Department of Banking and Finance, Attn: Deputy Commissioner for Supervision, 2990 Brandywine Road, Suite 200, Atlanta, Georgia 30341.

8. Judgment is hereby entered in favor of Plaintiff and against Defendant Simpson individually in the total amount of \$5,000.00, consisting of an award for civil penalties. Defendant Simpson shall remit \$5,000.00 to the Plaintiff's attorney at the below address via postal money order, certified check, or bank cashier's check prior to the submission of this Order to the Court.

9. The terms of this Order may be enforced by filing a motion for contempt in the Superior Court of Forsyth County or by any other action deemed appropriate by the Plaintiff.

SO ORDERED, this 16th day of April, 2019.



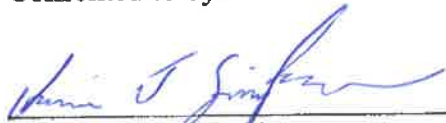
Judge, Superior Court of Forsyth County
Honorable David L. Dickinson

(signatures to continue on next page)

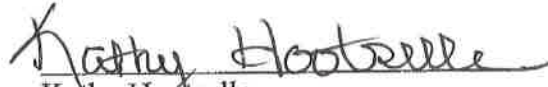
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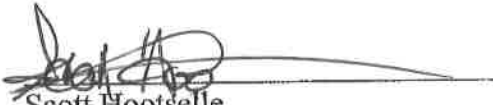
Consented to by:



Christopher John Simpson
in his individual capacity and
on behalf of EDU Financial
9000 Stonelake Court
Roswell, Georgia 30076



Kathy Hootselle
in her individual capacity and
on behalf of EDU Financial
6810 Lullwater Road
Cumming, Georgia 30040



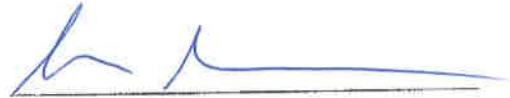
Scott Hootselle
on behalf of Southern Blinds, Inc.
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