

DIVISION OF BANKING
STATE OF WEST VIRGINIA

In the Matter of:

**James Lilly, aka Greg Lilly, and
Diversified Mortgage Group.**

Dkt. No. 03-CDO-MB-01

ORDER TO CEASE AND DESIST

On this day the above-referenced matter was brought before me, Larry A. Stark, Commissioner of Banking of the State of West Virginia, for action compelling compliance with the provisions of WV Code § 31-17-1, *et seq.* Upon a review of the information obtained by the staff of the Division of Banking of the State of West Virginia and on information and belief, I hereby make the following findings of fact:

1. James Lilly or Greg Lilly, an individual, and Diversified Mortgage Group, a sole proprietorship operated by Mr. Lilly (hereinafter referred to collectively as "Lilly"), are or were located in Beckley, West Virginia or its vicinity.

2. Because this business and Mr. Lilly individually acted as a residential mortgage lender/broker, any or all of the businesses should have been licensed and supervised by the Commissioner of Banking of West Virginia pursuant to WV Code § 31-17-1, *et seq.* (the "Act") before conducting the business of brokering and lending.

3. Pursuant to the Act, unless otherwise exempted, persons acting as brokers or lenders for mortgage loans secured by primary or subordinate liens on

property located in West Virginia must first obtain a license from the Commissioner of Banking.

4. WV Code § 31-17-2(a) provides in relevant part that

[n]o person shall engage in this state in the business of lender or broker unless and until he or she shall first obtain a license to do so from the commissioner, which license remains unexpired, unsuspended and unrevoked.

5. Lilly has not filed an application with the West Virginia Division of Banking for a license to act as a residential mortgage lender or broker.

6. Lilly has not obtained a license from the Commissioner of the West Virginia Division of Banking to act as a residential mortgage lender or broker in this state.

7. Lilly continues to do business as a residential mortgage lender or broker offering such services to the citizens of this state without the license and bond required by the Act.

THEREFORE, pursuant to the authority granted to me by WV Code § 31A-2-4(c)(15)(A), effective immediately, I hereby ORDER James Lilly aka Greg Lilly, an individual, and Diversified Mortgage Group to CEASE AND DESIST from engaging in mortgage brokering and mortgage lending activity in the State of West Virginia.

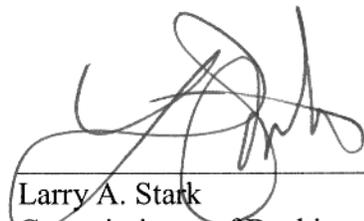
IT IS FURTHER ORDERED that James Lilly aka Greg Lilly provide examiners from the West Virginia Division of Banking immediate access, upon request, to all files and records relating to any residential mortgage loan secured by real estate in West Virginia that he or Diversified Mortgage Group brokered on behalf of borrowers.

This ORDER shall remain in effect until modified or vacated by further Order of the Commissioner of Banking.

NOTICE OF RIGHT TO APPEAL

James Lilly aka Greg Lilly and Diversified Mortgage Group are hereby notified that they may contest the issuance of this Order by filing a notice of appeal within ten (10) days of receipt of this Order. Such notice of appeal should be filed with the Commissioner of Banking addressed to: Larry A. Stark, Commissioner of Banking, West Virginia Division of Banking, 1900 Kanawha Blvd., East, Building 3, Room 311, Charleston, West Virginia 25305-0240.

Entered: February 7, 2003



Larry A. Stark
Commissioner of Banking