

DIVISION OF BANKING
STATE OF WEST VIRGINIA

In The Matter Of:

EQUITY ONE OF WEST VIRGINIA, INC.,
A regulated consumer lender.

Docket No.: 02-SC-RCL-01

AGREED ORDER

On this day came the parties, by counsel, and represented that they had reached an agreement to resolve the outstanding issues in this matter scheduled for a hearing at 9:30 a.m., on July 2, 2002. The undersigned, having been informed of this agreement, hereby approves the same and makes the following findings:

1. On May 3, 2002, the West Virginia Division of Banking, acting through Commissioner Larry A. Stark, issued an Order compelling Equity One of West Virginia, Inc. ("Equity of WV") to show cause why its license should not be suspended for a period not in excess of six (6) months, in accordance with the provisions of *West Virginia Code* § 46A-4-103.

2. In its most recent Report of Examination dated as of February 18, 2002 (the "2002 Report of Examination"), the Division of Banking noted apparent violations of state and federal law, including, but not limited to, the failure of Equity of WV to timely respond to or acknowledge the Division of Banking's Report of Examination dated as of October 19, 2000, and alleged violations of 46A-4-110.

3. All of the apparent violations noted in the 2002 Report of Examination have been corrected or will be corrected by Equity of WV, as listed in its response dated June 6, 2002.

4. Equity of WV will voluntarily relinquish its license to conduct business as a regulated consumer lender to the Division of Banking and agrees to cease all future lending activities in West Virginia from the date of this Agreed Order, except as noted further herein.

5. In connection with the cessation of all lending activities in West Virginia by Equity of WV, Equity of WV intends to sell its West Virginia loan portfolio and assets to another licensed regulated consumer lender, and will use its best efforts to do so. Equity of WV and the Division of Banking acknowledge and agree that there may be loans in Equity of WV's West Virginia loan portfolio that cannot be sold which Equity of WV will service from its New Jersey offices. To the extent required by law, Equity of WV will maintain a West Virginia entity to service these loans. Further, in the event Equity of WV is unable to sell its West Virginia loan portfolio within a reasonable time after execution of this Agreement, Equity of WV agrees that it will maintain an incorporated entity in the State of West Virginia for purposes of servicing the West Virginia loans remaining in its portfolio from a location outside West Virginia.

6. Equity of WV acknowledges that should it continue holding and servicing a portion of its loan portfolio, it will be subject to the Division of Banking's annual reporting requirement and annual assessment on the outstanding assets being serviced by Equity of WV's parent company.

7. By relinquishing its license, Equity of WV does not admit or acknowledge any fault, wrongdoing, impropriety of any kind, other than those apparent violations identified in the 2000 and 2002 Reports of Examination, that Equity of WV has addressed and corrected as necessary, subject to final review and release by the Division of Banking.

8. The Division of Banking reserves the right to conduct an exit examination of Equity of WV as long as its loans are maintained and/or serviced by the West Virginia corporation, but no later than six months after execution of this Agreed Order. Should Equity of WV sell any or all of its loan portfolio prior to any exit examination, it will provide a listing to the Division of Banking of loans sold, the purchaser of the loans, and the date of purchase. Subsequent to any exit examination, Equity of WV agrees to update the Division of Banking with its annual report those loans it continues to service and those loans sold during the previous calendar year.

9. Equity of WV and the Division of Banking agree that this is the full and complete agreement of understanding between them. All prior representations and negotiations are superseded by this Agreement.

10. This Agreement shall be construed under the laws of the State of West Virginia.


11. In acknowledgment of good and valuable consideration, including the mutual promises and undertakings agreed to herein, the receipt and sufficiency all of which are hereby acknowledged, Equity of WV and the Division of Banking hereby release, acquit and forever discharge each other as well as their respective successors and assigns, officers and directors, employees, agents and attorneys, from all liability, debts, dues, rights, damages, costs, expenses, sums of money, judgments, executions, claims and causes of action of every kind and character whatsoever, past or future, asserted or unasserted, including, but not limited to, any claims of bad faith and including costs and attorneys' fees which either party may now have or which may hereafter accrue, as a result of the allegations, made or that could have been made, in the 2002 Report of Examination and/or relating to the Order to Show Cause dated May 3, 2002. This release does not apply to claims by third parties nor is it intended to preclude the Division of Banking from assisting West Virginia consumers who may have claims against Equity of WV arising out of the loans made by Equity of WV in West Virginia.

12. This Agreement shall be binding upon and shall inure to the benefit of the parties, their respective trustees, representatives, agents, successors and assigns.


In light of the foregoing, the Order to Show Cause is now moot and IT IS THEREFORE ORDERED that this matter shall be stricken from the active docket of the West Virginia Division of Banking.

Agreed to by:

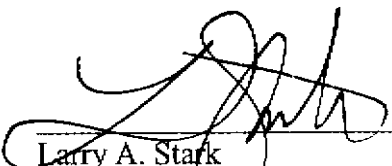
EQUITY ONE OF WEST VIRGINIA, INC.

By: 
Its: SENIOR VICE PRESIDENT

WV DIVISION OF BANKING

By: 
M. Katherine Lawson
Counsel for WV Division of Banking

Approved by:


Larry A. Stark
Commissioner of Banking

Entered: June 24, 2002