

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS



DEPARTMENT OF BUSINESS REGULATION

DIVISION OF BANKING

233 RICHMOND STREET, SUITE 231

PROVIDENCE, RI 02903-4231

Telephone (401) 222-2405

RECEIVED
BUSINESS REGULATION
DIVISION OF BANKING

OCT 9 2008

LETTER OF ADMONISHMENT (“LOA”)

ISSUED BY

THE RHODE ISLAND DEPARTMENT OF BUSINESS REGULATION

DIVISION OF BANKING

TO

METROPOLITAN MORTGAGE CORPORATION (“LICENSEE”)

1. Licensee is the holder of Lender and Loan Broker License Number 890000432LL and 88000431LB (the “License”) issued pursuant to the terms and provisions of R. I. Gen. Laws § 19-14-1 *et seq.*

2. The Rhode Island Department of Business Regulation’s Division of Banking (“Division”) conducted a supervisory examination of Licensee pursuant to R. I. Gen. Laws § 19-14-23. The resulting Report of Examination dated May 19, 2008, disclosed the presence of one (1) recurring violation regarding Licensee’s failure to comply with R. I. General Law.

3. The Department proposes to resolve this matter through the issuance of this LOA in lieu of commencing an administrative action to enforce the penalties provided for in R. I. Gen. Laws §§ 19-14-13, 19-14-15 and 19-14-26. This LOA memorializes those agreements that have been reached with Licensee to resolve them.

4. Licensee shall forthwith:

- A. Comply fully with R. I. Gen. Laws and any applicable rules and regulations promulgated under R. I. Gen. Laws Title 19;
- B. Pay to the Department, in the form of a check made payable to the “General Treasurer, State of Rhode Island”¹, an administrative assessment in the aggregate amount of one thousand one hundred and twenty nine dollars (\$1,129), of which one hundred twenty nine dollars (\$129) constitutes an additional examination fee pursuant to R. I. Gen. Laws § 19-14-23.
- C. Maintain a compliance officer to monitor compliance to all applicable state and federal laws and regulations.

5. Licensee acknowledges and waives its right to further notice that it is the position of the Division that the Licensee’s actions violated R. I. Gen. Law, which violation could result in the suspension or revocation of the License under R. I. Gen. Laws §§ 19-14-15 and 19-14-13, additional monetary penalties of up to one thousand dollars (\$1,000) per violation and the imposition of criminal and civil sanctions pursuant to R. I. Gen. Laws § 19-14-26. Nothing herein constitutes a waiver of a right to notice with regard to future violations.

6. The management of Licensee should understand how seriously the Division takes its responsibility to ensure that the financial system remains safe, strong, and secure, and operates in compliance with applicable law and regulation. The Division wants to work with the Licensee to identify and resolve problems to avoid more serious consequences. However, if conditions worsen, or the “agreed upon actions” are not finalized within the stated “timeframes” the Division may take available administrative remedies, including suspension or revocation of Licensee’s Rhode Island License, and/or additional civil money penalties.

Therefore, the official signing this LOA on behalf of Licensee indicates that Licensee understands and agrees with the contents of this LOA by affixing his or her signature to this LOA. This LOA is a public record.

7. In light of Licensee’s willingness to resolve this matter without hearing, Licensee: waives its right to complete the administrative hearing process; waives its right to appeal this LOA; without admitting that the allegations in paragraphs 1 through 7 are true; will not further contest or dispute this matter against the Division; is willing to remedy this matter; and is willing

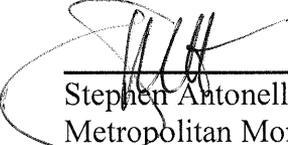
¹ Payee must be the “General Treasurer, State of Rhode Island”. Checks with incorrect payee will be returned for re-issuance.

to take all necessary action as delineated in this paragraph and the preceding paragraphs of this LOA to allow Licensee to maintain the License in good standing.

8. The Division agrees to permit Licensee to maintain the License in good standing subject to compliance by Licensee with this LOA and applicable state and federal laws and regulations.

LICENSEE UNDERSTANDS THAT BY WAIVING ITS RIGHT TO A COMPLETE HEARING AND AGREEING TO THIS LOA, LICENSEE WAIVES ANY RIGHTS TO A HEARING AND IF ANY TERMS OF THIS LOA ARE VIOLATED, LICENSEE'S LICENSE SHALL BE SUBJECT TO SUSPENSION OR REVOCATION.

For Licensee:



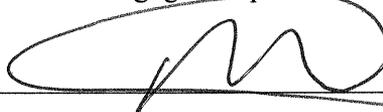
Stephen Antonelli, President
Metropolitan Mortgage Corporation
222 Reservoir Avenue
Providence, RI 02907

Date: 10-8-08

STATE OF Rhode Island

COUNTY OF Providence

In Coanster, in said County, on the 8th day of October 2008, before me personally appeared the above-named Stephen Antonelli, to me known and known by me to be the President of Metropolitan Mortgage Corporation and the person executing these presents in behalf of Metropolitan Mortgage Corporation, the party executing the foregoing instrument, and he acknowledged said instrument by him so executed to be her free act and deed as such President and the free act and deed of said of Metropolitan Mortgage Corporation.



M. BETH ARRUDA, Notary Public
The State of Rhode Island, Notary
My Commission Expires August 1, 2009
(Print or type name of Notary)

Sara Paterson Cabral

Recommended by: _____

Sara Paterson Cabral
Assistant Supervisor of Examinations
Department of Business Regulation
Division of Banking
1511 Pontiac Avenue, Bldg. 69-2
Cranston, RI 02920

Date: July 29, 2009

I hereby approve reject the Letter of Admonishment as agreed to by and between the parties in the above entitled matter.

Entered this 29th day of July 2009



Steven L. Cayouette, CFE
State Chief Bank Examiner
Department of Business Regulation
Division of Banking
1511 Pontiac Avenue, Bldg. 69-2
Cranston, RI 02920