

MAINE BUREAU OF FINANCIAL INSTITUTIONS
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION
STATE OF MAINE
ORDER APPROVING APPLICATION OF MONEY WAREHOUSE, INC.,
SOUTHAMPTON, PENNSYLVANIA TO ESTABLISH A MERCHANT BANK TO
BE KNOWN AS MONEY WAREHOUSE BANK, LLC

Money Warehouse, Inc., Southampton, Pennsylvania ("Money Warehouse") filed an application to establish a merchant bank, pursuant to 9-B M.R.S.A. Chapter 122, to be known as Money Warehouse Bank, LLC ("MWBank"). MWBank's office will be located at 615 2nd Street Pike, Southampton, Pennsylvania but it will have a registered office at 245 Commercial Street, Portland, Maine.

The application was accepted for processing on May 2, 2006. Public notice, as required by Title 9-B M.R.S.A. 252.2(B) and 312.3, was provided by publication, posting on the Bureau's website and e-mail to interested parties affording them an opportunity to submit written comments or request a hearing. The Bureau received no comments during the public comment period ending June 5, 2006. Processing of the application was suspended, at the applicant's request, on August 2, 2006 for up to thirty days and again on September 1, 2006 until no later than November 5, 2006.

A Principal Bank Examiner of the Maine Bureau of Financial Institutions conducted an investigation of this transaction. All evidence and pertinent material which were considered by the Examiner were also considered by the Superintendent in reaching his decision.

Money Warehouse is a mortgage lender/broker formed in 1998. It has 12 offices in five states and is licensed in several other states. Money Warehouse originates residential mortgage loans directly from customers, utilizing direct advertising, relationships with realtors and builders, and a website to attract customers. Loans are separated into two categories: brokered and correspondent. Brokered loans are closed in the name of and funded by investors (although brokered loans are higher risk loans, only approximately 5% of all loans are considered sub-prime); correspondent loans are closed in Money Warehouse's name, funded by Money Warehouse via its warehouse line of credit, and then sold to a correspondent bank. Money Warehouse does not retain any servicing.

Money Warehouse proposes to "transfer" its business to MWBank on a state-by-state basis, after a review of the regulatory requirements of each state. Money Warehouse believes that the merchant bank charter will allow it to operate more efficiently in a multi-state environment. The business model of MWBank will not differ from that currently utilized by Money Warehouse. Money Warehouse has demonstrated sound financial performance with experienced management and has competed successfully in the residential mortgage origination business. All

other statutory factors required to be considered are consistent with approval. Accordingly, the application to establish a merchant bank with the name "Money Warehouse Bank, LLC" is approved, subject to the conditions listed on Appendix A.

The transaction shall be completed within one year of the effective date of this Order, unless a written extension is granted by the Superintendent. Any person aggrieved by this Order shall be entitled to a judicial review of the Order in accordance with the Maine Administrative Procedure Act, Title 5, Chapter 375, subchapter VII.

By order of the Superintendent, effective December 2, 2006.

/s/ Lloyd P. LaFountain III
Superintendent
Gardiner, Maine
November 2, 2006

CONDITIONS

1. Mr. Yuri Volin is approved as President, Chief Executive Officer and a director. Any change in the President, Chief Executive Officer or director during the first three years of operation requires the prior written approval of the Bureau. The initial board of directors is subject to the prior written approval of the Bureau.
2. Anna Michaels, Scott Pruyn and Kathleen Wood are approved as senior managers. Any change in the senior managers during the first three years of operation requires the prior written approval of the Bureau.
3. The initial equity capital of MWBank shall be at least \$1,000,000, which shall be paid-in in cash.
4. On an on-going basis, Tier 1 capital (as defined in Regulation 27) shall not be less than \$1,000,000; Tier 1 risk-based capital shall not be less than 9.0% and total risk-based capital shall not be less than 15.0%, unless a different amount is established by the Superintendent pursuant to 9-B M.R.S.A. §412-A(2). As such, the Superintendent reserves the right to change the above formula for determining ongoing capital adequacy.
5. If MWBank fails to maintain Tier 1 capital in the minimum amount specified above in Condition #5, MWBank shall be deemed to have inadequate capital and the Bureau shall have the authority to take any action authorized by Regulation 27.
6. Prior to the issuance of Certificate to Transact Business and pursuant to 9-B M.R.S.A. §1223-A, MWBank shall pledge readily marketable assets having a fair value of at least \$500,000 to the Bureau.
7. All transactions between MWBank and any affiliates shall be conducted subject to the provisions of 9-B M.R.S.A. §468. Prior to commencing operations, MWBank shall enter into a written agreement, acceptable to the Bureau, governing all

relationships, including shared management, employees, space and equipment, with Money Warehouse and any other affiliate. The Board of Directors of MWBank shall annually review and approve any service agreements and any other transactions with affiliates, including any cost allocation or fee-sharing provisions in such agreements or other transactions.

8. MWBank shall maintain all financial statements required to be filed with the Bureau in accordance with generally accepted accounting principles. MWBank shall maintain all of its statements and records separate and segregated from those of its affiliates.

9. MWBank shall submit monthly financial statements, board of director minutes and other requested reports to the Bureau.

10. MWBank shall not declare or pay any dividends without the prior written approval of the Bureau for the first three years of operation.

11. During the first three years of operations, MWBank shall not implement any material change or deviation from the operating plan without the prior written approval of the Bureau.

12. MWBank may not open any offices without the prior written approval of the Bureau.

13. MWBank shall notify the Bureau prior to assuming Money Warehouse's business in any state except Pennsylvania.

14. All technology-related vendor contracts must stipulate that the performance of services provided by the vendors to MWBank is subject to the Bureau's examination and regulatory authority.

15. Prior to the issuance of a Certificate to Transact Business, the Bureau must complete a satisfactory review of compliance documents, including consumer disclosures and advertising.

16. Prior to the issuance of a Certificate to Transact Business, MWBank shall submit its written Anti-Money Laundering Program and Customer Identification Program to the Bureau.

17. The Superintendent must approve the Articles of Organization and the Operating agreement.

18. MWBank must submit evidence that it has obtained adequate fidelity bond coverage, including an Errors and Omission rider; the coverage must be in an amount (including the amount of the deductible) and for such coverage that shall be satisfactory to the Superintendent.

19. MWBank will comply with all applicable laws, including the Maine Banking Code (Title 9-B M.R.S.A.), regulations and policies of the Bureau.

20. On the business day prior to the issuance of a Certificate to Transact Business, the Chief Executive Officer of Money Warehouse and MWBank must certify in writing to the Bureau that no material adverse changes have occurred with respect to the financial condition or operation of Money Warehouse and MWBank, respectively, as disclosed in the application.