STATE OF OHIO DEPARTMENT OF COMMERCE Division of Financial Institutions Consumer Finance

| In the matter of: |) Case No. M2006-9992752 |
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| NOVASTAR MORTGAGE, INC. 8140 Ward Parkway |) <u>DIVISION ORDER</u> |
| Kansas City, Missouri 64114 | TERMINATION of Notice of Intent to Deny Renewalof Mortgage Broker Certificate of Registration |
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Whereas, the Ohio Department of Commerce, by and through the Superintendent of the Division of Financial Institutions ("Division"), on April 27, 2006, issued NovaStar Mortgage, Inc. ("Respondent") a Notice of the Division's intent to deny the renewal of Respondent's mortgage broker certificate of registration; and

Whereas, prior to the requested hearing, Respondent entered into to a settlement agreement with the Division resolving all issues contained in the April 27, 2006 notice with respect to Respondent's 2004 continuing education requirements; and

Whereas, the Division finds that the April 27, 2006 Notice of the Division's intent to deny the renewal of Respondent's mortgage broker certificate of registration is now moot;

The Division hereby terminates the April 27, 2006 notice.

IT IS SO ORDERED.

NOTICE OF RIGHT TO APPEAL

Respondent is hereby notified that pursuant to R.C. 119.12, this Order may be appealed by filing a notice of appeal with the Ohio Division of Financial Institutions setting forth the order appealed from and the grounds for the appeal. A copy of such notice of appeal, pursuant to R.C. 119.12, must also be filed with the court of common pleas of the county in which the place of business of the Respondent is located, or the county in which the Respondent is a resident. A notice of appeal must be filed within fifteen (15) days after the date of mailing of this Order.

Signed and sealed this 13th day of December 2006

ROBERT M. GRIESER

Deputy Superintendent for Consumer Finance Division of Financial Institutions Ohio Department of Commerce