

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

In the matter of:

) Case No. M2009-845

)  
)  
) **WOODSIDE MORTGAGE SERVICES, INC.**

) 30195 Chagrin Boulevard - Suite 112

) Pepper Pike, OH 44124  
)  
)

) **SETTLEMENT AND CONSENT ORDER**

RECEIVED  
DIVISION OF FINANCIAL  
INSTITUTIONS  
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WHEREAS, the Ohio Department of Commerce, by and through the Superintendent of the Division of Financial Institutions ("Division"), is charged with the responsibility of enforcing the Ohio Mortgage Broker Act, codified in Ohio Revised Code ("R.C.") Chapter 1322; and

WHEREAS, Woodside Mortgage Services, Inc. ("Respondent") is a corporation that holds a certificate of registration, MB.800320.000, issued by the Division to act as a mortgage broker pursuant to R.C. Chapter 1322. The business address of record for Respondent's main office is 30195 Chagrin Boulevard, Pepper Pike, Ohio 44124; and

WHEREAS, on November 18, 2009, the Division sent via certified mail a Notice of Intent to Issue Cease and Desist Order and Notice of Opportunity for a Hearing ("the Notice") to Respondent to its main office business address; and

WHEREAS, the Notice contained the following allegations:

- A. R.C. 1322.071(B)(3) states that "[n]o mortgage broker, registrant, or other licensee shall...[p]ay or receive, directly or indirectly, a referral fee or kickback of any kind to or from a bona fide third party or other party with a related interest in the transaction, such as a ...real estate broker or agent, for the referral of business."
- B. In a writing on Respondent's letterhead received by the Division on October 27, 2009, Timothy Bell, a loan officer licensed to originate for Respondent offered a \$100 Home Depot gift card to any referring realtor at closing and also a \$300 Beachwood Mall gift card to the realtor with the most live referrals, with a minimum of two referrals that become loans. In the event of a tie, the realtor with the largest combined loan amount wins.
- C. As a result of the findings listed above, the Division has determined that Respondent is engaged in or believed to be engaged in activities that constitute a violation of R.C. 1322.071(B)(3).

WHEREAS, to the best of Respondent's knowledge and belief, no referrals, payments for referrals, or kickbacks of any kind were made as a result of the October 27, 2009 letter;

WHEREAS, Respondent admits the allegations contained in Paragraph B above and that such conduct constitutes a violation of R.C. 1322.07(C), and to avoid the cost and uncertainty of litigation agrees to enter into this Consent Order for purposes of settlement;

NOW THEREFORE, in consideration of the foregoing and the mutual promises set forth herein, the parties agree to the following:

- 1) The parties acknowledge and agree that the allegations listed in paragraphs 1-3 above accurately represent the allegations contained in the Division's November 18, 2009 Notice.
- 2) This Settlement and Consent Order represents a compromise between the parties for the full, complete, and final settlement of all of their claims, differences, and causes of action with respect to the allegations contained in the Notice.
- 3) The parties agree that the terms of this Settlement and Consent Order bind the parties hereto, and their shareholders, partners, members, assigns, and successors in interest.
- 4) Respondent, through its owners, officers, directors, operations manager, employees and loan originators, agrees to cease and desist from offering to pay or receive, or paying or receiving, directly or indirectly, a referral fee or kickback of any kind to or from a bona fide third party or other party with a related interest in the transaction, such as a real estate broker or agent, for the referral of business as prohibited in R.C. 1322.071(B)(3). Respondent also agrees to pay a fine in the amount of One Thousand Dollars (\$1,000.00).
- 5) The Division agrees to terminate the Notice of Intent to Issue Cease and Desist Order issued on November 18, 2009, and agrees that it shall not, as long as Respondent is in compliance with this Settlement and Consent Order pursue the matters set forth in such Notice through its administrative process. Nothing, however, in this order shall be deemed to prevent the Division or its employees, agents, or assigns from participating in, as a witness or otherwise, any lawful action by another, or obeying any lawful court order, arising out of or related to the matters set forth in the Notice.
- 6) Nothing in this Settlement and Consent Order shall be deemed an admission of guilt or liability, or agreement with the allegations set forth in the Notice on the part of Respondent.
- 7) Respondent acknowledges lawful service and receipt of the Notice, and stipulates to the jurisdiction of the Division in this matter.
- 8) The Respondent hereby agrees to forego its administrative remedies, and waive any and all rights to an administrative hearing, as well as any right to appeal this matter or order.
- 9) This Settlement and Consent Order shall be effective on the date it is signed by the Superintendent of the Division of Financial Institutions and on such date it will become a final order.
- 10) This Settlement and Consent Order contains the entire agreement between the parties as to the matters set forth herein and no promises, conditions or obligations, either expressed or implied, other than those set forth herein, shall be binding on either party.

For purposes of effecting this Settlement and Consent Order, it is hereby ORDERED and DECREED that:

- I. The parties to this Settlement and Consent Order shall abide by the terms of this Order as agreed.

- II. Respondent, through its owners, officers, directors, operations manager, employees and loan originators, shall cease and desist from offering to pay or receive, or paying or receiving, directly or indirectly, a referral fee or kickback of any kind to or from a bona fide third party or other party with a related interest in the transaction, such as a real estate broker or agent, for the referral of business as prohibited in R.C. 1322.071(B)(3). The Respondent shall pay a fine in the amount of One Thousand Dollars (\$1,000.00). Payment of the fine shall be in the form of a cashier's check or money order, made payable to "Treasurer of State" and shall be submitted to DFI with this signed Settlement and Consent Order.
- III. The Notice of Intent to Issue Cease and Desist Order and Notice of Opportunity for a Hearing issued November 18, 2009 to the Respondent is hereby terminated. Nothing shall prevent the Division, in the future, from taking any administrative or other action against Respondent for matters not addressed in this Order.

The Respondent understands that any breach of this Settlement and Consent Order may result in the reinstitution of administrative proceedings, including suspension or revocation, the imposition of additional fines and any other remedy available to the Division.

LEIGH A. WILLIS

Deputy Superintendent for Consumer Finance  
Division of Financial Institutions

2/3/10

Date

**Approved and Agreed:**

**Woodside Mortgage Services, Inc.**

By: Mr. Robert R. Keller, President

Mr. Robert R. Keller, President

2/1/10

Date

Title: \_\_\_\_\_

By: Mr. William G. Keller, Vice President

Mr. William G. Keller, Vice President

2/1/10

Date

Title: \_\_\_\_\_