

STATE OF OHIO
DEPARTMENT OF COMMERCE
DIVISION OF FINANCIAL INSTITUTIONS
77 South High Street, 21st Floor
Columbus, Ohio 43215-6120

In the matter of:

THE JONES GROUP, LLC.
2012 W. 25th Street, Suite 413
Cleveland, Ohio 44113

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) Case No. 04-0024-MBD
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) **SETTLEMENT AND**
) **CONSENT ORDER**
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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, The Jones Group, LLC. ("Respondent") is an Ohio limited liability company that held a certificate of registration issued by the Division as a mortgage broker pursuant to R.C. Chapter 1322. Respondent's mortgage broker certificate of registration expired on April 30, 2004, and Respondent filed an application to renew its certificate of registration. That application remains pending. The business address of record for Respondent's main office is 2012 W. 25th Street, Suite 413, Cleveland, Ohio 44113; and

WHEREAS, on December 7, 2004, the Division issued its Notice of Intent to Deny 2004 Application for Mortgage Broker Certificate of Registration Renewal and Notice of Opportunity for a Hearing; and

WHEREAS, the Notice contained allegations and findings that:

- A. The Division is empowered by R.C. 1322.04(B)(2) to renew an applicant's mortgage broker certificate of registration if the Division finds on and after January 1, 2003, the operations manager designated under section 1322.03 of the Revised Code has completed, during the immediately preceding calendar year, at least six hours of continuing education.
- B. The Division is empowered by R.C. 1322.04(B)(3) to renew an applicant's mortgage broker certificate of registration if the Division finds, among other things, that the applicant has complied with 1322.04(A)(10) in that the applicant's character and

general fitness command the confidence of the public and warrant the belief that the business will be operated honestly and fairly in compliance with the purposes of R.C. 1322.01 to 1322.12.

- C. The Division is authorized by R.C. 1322.10(A)(1)(a) to refuse to renew an applicant's mortgage broker certificate of registration if the Division finds that the applicant has violated "or fail[ed] to comply with any provision of sections 1322.01 to 1322.12 of the Revised Code or the rules adopted under those sections or any other law applicable to the business conducted under a certificate of registration[.]"
- D. R.C. 1322.052 requires every operations manager to complete at least six (6) hours of approved continuing education ("CE") every calendar year (by December 31st).
- E. Respondent failed to comply with the 2003 CE requirements as required by R.C. 1322.052.
- F. Because Respondent failed to comply with R.C. 1322.052, the Division finds that Respondent did not meet the prerequisite for certificate of registration renewal found in R.C. 1322.04(B)(2).
- G. Because Respondent failed to comply with R.C. 1322.052, the Division finds Respondent's character and general fitness do not command the confidence of the public and warrant the belief that the business will be operated honestly and fairly in compliance with the purposes of the Ohio Mortgage Broker Act, thereby failing to meet the prerequisite for certificate of registration renewal found in R.C. 1322.04(B)(3). See R.C. 1322.04(A)(10) & (B)(3)
- H. Because Respondent failed to comply with R.C. 1322.052 and did not meet the conditions outlined in R.C. 1322.04(A)(10), (B)(2) and (3), the Division has the authority to refuse to renew Respondent's mortgage broker certificate of registration.

WHEREAS, The Jones Group LLC. admits the allegations of the Division's December 7, 2004 notice.

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 to the accuracy of the foregoing recitals.
- 2) 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.
- 3) Nothing 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.

- 4) Respondent acknowledges lawful service and receipt of the Notice, and stipulates to the jurisdiction of the Division in this matter.
- 5) Respondent hereby agrees to withdraw its request for hearing in case no 04-0024-MBD, 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.
- 6) Respondent further withdraws its 2004, 2005, and 2006 mortgage broker certificate of registration renewal applications. Respondent shall surrender its invalid 2006 mortgage broker certificate of registration that was issued in error. The invalid certificate must accompany this agreement. Withdrawal of the renewal applications will not deem Respondent as acting as a mortgage broker without a certificate of registration for the time those applications were pending before the Division.
- 7) The Division hereby terminates the Notice of Intent to Deny 2004 Mortgage Broker Certificate of Registration Renewal and Notice of Opportunity of Hearing issued December 7, 2004. Nothing 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.
- 8) This Settlement and Consent Order shall be effective on the date it is signed by the Deputy Superintendent of the Division of Financial Institutions and on such date it will become a final order.
- 9) 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.
- 10) In the future, should Respondent or any of its members, shareholders, or officers apply for a license or certificate of registration of any kind from the Division, the matters relating to violations alleged in the December 7, 2004 notice that are admitted to in this agreement may be used against Respondent, its members, shareholders, or officers as those violations have not been cured by this Settlement and Consent Order. All shareholders, members, and officers of Respondent are required to sign this Settlement and Consent Order.
- 11) Respondent releases the Division, its members, employees, agents, officers and representatives jointly and severally from any and all liability arising from the within matter. Respondent shall not seek attorney fees or other costs arising from the within matter.

- 12) This Settlement and Consent Order shall be considered a public record as that term is used in R.C. 149.43, and may be reported to appropriate organizations, data banks, and governmental bodies, or released to the general public.
- 13) Respondent has been advised by the Division to seek legal counsel if it has any questions concerning the terms and/or effect of this Settlement and Consent Order.
- 14) Respondent must submit this Settlement and Consent Agreement completed per the terms dictated herein, no later than January 16, 2007.

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

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

Robert M. Grieser
Deputy Superintendent of Consumer Finance

Date

Approved and Agreed

The Jones Group, LLC.

By:_____

Date

By:_____

Date

By:_____

Date

By:_____

Date

John Neal, Esq.
Attorney for Respondent

Date