

SETTLEMENT AGREEMENT

03LOSA0111

by and between

THE OHIO DEPARTMENT OF COMMERCE
DIVISION OF FINANCIAL INSTITUTIONS

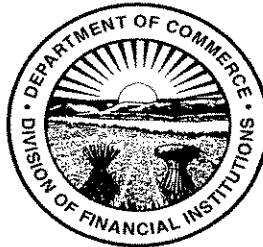
Consumer Finance Section

77 South High Street, 21st Floor
Columbus, OH 43215-6120

&

LO 012999
JOHN BERNAT
88 SHENANGO BOULEVARD
FARRELL, PA 16121

This Settlement Agreement is a legally binding document that affects your rights. Read it carefully.
If you have any questions, consult an attorney.



CHECK NO 916780600205
AMOUNT 250
DATE 9/29/03
REC. BY JUC

If you choose to enter into this Settlement Agreement, you must follow it EXACTLY. If you fail to follow any one filing instruction or any one provision of the Agreement, the Division may reject the Agreement.

All of the following must be completed and RETURNED to the Division in the envelope provided no later than TUESDAY, SEPTEMBER 30, 2003:

- ☐ You must complete six (6) hours of approved CE, and the attendance certificate(s) must be returned with the Settlement Agreement.
- ☐ All pages of this Settlement Agreement, including this cover page, must remain attached.
- ☐ The ORIGINAL, signed Agreement with all pages attached must be returned. Keep a copy for your records.
- ☐ A cashier's check or money order in the amount of \$250.00, made payable to DFI Consumer Finance, must be enclosed. NO OTHER METHOD OF PAYMENT WILL BE ACCEPTED. If the envelope does not contain a cashier's check or money order in the amount of \$250.00, your package will be returned and the Settlement Agreement will not be accepted.

2003 SEP 29 PM 4:33
DIVISION OF FINANCIAL INSTITUTIONS

SETTLEMENT AGREEMENT

03LOSA0111

This Settlement Agreement is entered into by and between:

THE OHIO DEPARTMENT OF COMMERCE
DIVISION OF FINANCIAL INSTITUTIONS

Consumer Finance Section

77 South High Street, 21st Floor
Columbus, OH 43215-6120

Hereinafter referred to as "DFI."

&

LO 012999
JOHN BERNAT
88 SHENANGO BOULEVARD
FARRELL, PA 16121

Hereinafter referred to as "Respondent."

DFI is a state agency charged with the responsibility of administering and enforcing the Ohio Mortgage Broker Act ("OMBA"), codified in Chapter 1322 of the Ohio Revised Code ("R.C."). Respondent is an individual that held a loan officer license issued by DFI to originate residential mortgage loans pursuant to R.C. Chapter 1322. Respondent's loan officer license expired on April 30, 2003, Respondent filed an application to renew Respondent's loan officer license and the license was renewed. Subsequently it was discovered that Respondent failed to comply with the 2002 CE requirements of the OMBA.

Respondent voluntarily enters into this Settlement Agreement being fully informed of its right to representation by counsel, and its right to reject this Settlement Agreement and to proceed to a formal adjudicative hearing, pursuant to R.C. Chapter 119, on the issues considered herein.

STIPULATIONS AND ADMISSIONS

This Settlement Agreement is entered into on the basis of the following stipulations, admissions and understandings:

- A. R.C. 1322.052 requires every loan officer to complete at least six (6) hours of approved continuing education every calendar year.
- B. Respondent admits that respondent failed to comply with the CE requirement of R.C. 1322.052 for the 2002 calendar year.

1003 SEP 29 PM 4:29
DIRECTOR'S OFFICE
DIVISION OF FINANCIAL INSTITUTIONS
OHIO DEPARTMENT OF COMMERCE

- C. DFI is authorized by R.C. 1322.10(A)(1)(a) to revoke a licensee's loan officer license if DFI finds that the licensee has violated "or fail[ed] to comply with any provision of sections 1322.01 to 1322.12 of the Revised Code..."
- D. Because Respondent failed to comply with R.C. 1322.052, DFI has the authority to revoke Respondent's loan officer license.
- E. DFI enters into this Settlement Agreement in lieu of formal proceedings under R.C. Chapter 119 to revoke Respondent's loan officer license on the basis of Respondent's admitted noncompliance with the OMBA.
- F. DFI expressly reserves the right to institute formal proceedings based upon any violation of or noncompliance with any provision of the OMBA not specifically addressed herein, whether occurring before or after the effective date of this Settlement Agreement.

AGREED CONDITIONS

Wherefore, in consideration of the foregoing and mutual promises hereinafter set forth, and in lieu of any formal disciplinary proceedings at this time, Respondent knowingly and voluntarily agrees with DFI to the following terms, conditions and limitations:

1. As penalty for the violations of law described herein, Respondent agrees to pay a fine of two-hundred and fifty dollars (\$250.00). Payment shall be in the form of a cashier's check or money order, made payable to "DFI Consumer Finance," and shall be submitted to DFI with this Settlement Agreement.
2. Prior to submitting the Settlement Agreement, the Respondent must complete six (6) hours of approved CE. Copies of the attendance certificate(s) must be submitted with this Settlement Agreement. Respondent further agrees to write in RED INK on the face of the attendance certificate(s) submitted: "PLEASE APPLY TO 2002 CE REQUIREMENT."
3. Respondent understands and agrees that the CE credits earned and submitted as part of this Settlement Agreement are to be applied only to Respondent's 2002 CE requirement; these credits cannot be applied to Respondent's 2003 CE requirement, which must be completed by December 31, 2003.
4. Respondent understands and agrees that if Respondent fails to follow any term of this Settlement Agreement or any filing instruction, DFI may reject the Settlement Agreement and initiate formal proceedings under R.C. Chapter 119 to revoke Respondent's loan officer license.
5. Respondent understands and agrees that by executing this Settlement Agreement, Respondent admits that it has violated R.C. Section 1322.041(B)(2) by failing to complete the 2002 CE requirement of the OMBA, and that Respondent has been penalized in the form of a fine for this violation.

6. Respondent understands that it must comply with every provision herein, and that to be considered for acceptance by DFI, the ORIGINAL properly executed Settlement Agreement, with all pages attached, must be received in the offices of DFI on or before Tuesday, September 30, 2003.
7. If Respondent properly files this Agreement and fully complies with every provision, DFI agrees to execute the same and agrees not to initiate revocation proceedings against Respondent solely for the matters addressed herein.
8. Should DFI discover that Respondent has provided DFI with false, fraudulent, misleading, or incomplete information pertaining to this Agreement, Respondent agrees that such evidence will firmly establish that Respondent's character and general fitness do not command the confidence of the public and warrant the belief that it will conduct business honestly and fairly in compliance with the purposes of the OMBA. Respondent further agrees that such discovery is grounds for permanent revocation of Respondent's loan officer license.
9. The above-described terms, conditions and limitations may be amended or terminated at any time upon the written agreement of both parties.

FAILURE TO COMPLY

If, in the discretion of DFI, Respondent appears to have violated or breached any term or condition of this Settlement Agreement, DFI reserves the right to institute formal disciplinary proceedings for any and all possible violations or breaches, including but not limited to, alleged violations of any law occurring before, on, or after the effective date of this Settlement Agreement.

ACKNOWLEDGMENTS/LIABILITY RELEASE

Respondent acknowledges that it has been advised by DFI to seek legal counsel if it has any question concerning the terms and/or effect of this Settlement Agreement.

Respondent hereby releases DFI, its members, employees, agents, officers and representatives jointly and severally from any and all liability arising from the within matter.

This Settlement Agreement 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.

This Settlement Agreement in no way binds or limits future actions DFI may take with respect to Respondent or any other person, individual, or company, for the same or similar violations.

EFFECTIVE DATE

It is expressly understood that this Settlement Agreement shall become effective upon the last date of signature below.

The ORIGINAL, signed Agreement with all pages attached must be returned. Keep a copy for your records.

PRINTED Name of loan officer:

JOHN BERNAT

SIGNATURE of loan officer:

 9-26-03
Date

ROBERT M. GRIESER

DATE

Deputy Superintendent for Consumer Finance
Ohio Division of Financial Institutions

9/29/03

AMANDA M. AXTELL

DATE

Consumer Finance Legal Counsel
Ohio Division of Financial Institution

Amanda - 9/29/03

PLEASE APPLY TO 2002 C.E. REQUIREMENT



THE SCHOOL OF MORTGAGE LENDING

AWARDS TO

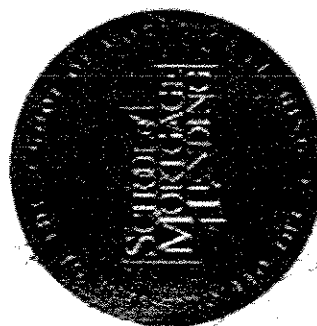
John Bernat

4013
on 9/29/03

THIS
CERTIFICATE of COMPLETION
Proctored Certificate
In recognition of successful completion of

170 Understanding Title Insurance

9/24/2003



[Signature]

Connie R. Steadman

SCHOOL OF MORTGAGE LENDING