

SETTLEMENT AGREEMENT

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This Settlement Agreement is entered into by and between:

**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"

and

TOWER MORTGAGE CORPORATION

5880 Cleveland Avenue
Columbus, OH 43231

Hereinafter referred to as "Tower Mortgage"

DFI is a state agency charged with the responsibility of administering and enforcing the Ohio Mortgage Loan Act ("OMLA"), codified in Sections 1321.51 to 1321.60 of the Ohio Revised Code ("R.C."). Tower Mortgage is an Ohio corporation that applied to the Division on July 23, 2009 to renew its OMLA certificate of registration; the renewal application remains pending.

Tower Mortgage voluntarily enters into this Settlement Agreement.

STIPULATIONS AND ADMISSIONS

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

- A. DFI is empowered by R.C. 1321.54(B) to refuse to renew the certificate of registration of a second mortgage lender if the applicant is in default in the payment of the annual fee prescribed in R.C. 1321.20.
- B. Pursuant to R.C. 1321.53(A)(4), Tower Mortgage was required to submit its 2009 renewal application with annual fee to DFI by June 30, 2009.
- C. Tower Mortgage submitted its 2009 renewal application on July 23, 2009; that application remains pending.

- D. Tower Mortgage understands that because it did not timely submit its renewal application, DFI has the authority to refuse to renew Tower Mortgage's OMLA certificate of registration.
- E. DFI enters into this Settlement Agreement in lieu of formal proceedings under R.C. Chapter 119 to deny Tower Mortgage's 2009 renewal application on the basis of its untimely filing.
- F. DFI expressly reserves the right to institute formal proceedings based upon any violation of or noncompliance with any provision of the OMLA 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, Tower Mortgage knowingly and voluntarily agrees with DFI to the following terms, conditions and limitations:

- 1. If Tower Mortgage properly files this Agreement and fully complies with every provision, DFI agrees to execute the same and to approve Tower Mortgage's OMLA 2009 renewal application provided there are no remaining deficiencies with respect to the application.
- 2. As penalty for the violation of law described herein, Tower Mortgage agrees to pay a fine of **three hundred dollars (\$300.00)**. 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.
- 3. Tower Mortgage understands and agrees that if DFI discovers that Tower Mortgage has provided DFI with false, fraudulent, or misleading information in regard to its renewal application, Tower Mortgage agrees that such evidence shall firmly establish that Tower Mortgage's financial responsibility and general fitness do not command the public's confidence, pursuant to R.C. 1321.53(A)(4).
- 4. Tower Mortgage understands and agrees that this 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.
- 5. If Tower Mortgage violates any term of this Settlement Agreement, DFI may reject the Settlement Agreement and proceed with formal proceedings under R.C. Chapter 119 to deny Tower Mortgage's renewal application.
- 6. The above-described terms, conditions and limitations may be amended or terminated at any time upon the written agreement of both parties.

7. This settlement agreement must be received by the Division no later than **September 11, 2009.**

FAILURE TO COMPLY

If, in the discretion of DFI, Tower Mortgage 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

Tower Mortgage 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.

Tower Mortgage 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 Tower Mortgage 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 Settlement Agreement must be signed by: the owner if the OMLA certificate holder is a sole proprietor; all partners if the registrant is a partnership; at least one member if a limited liability company; and the president and secretary, as duly authorized by resolution of the board of directors, if the registrant is a corporation. **The ORIGINAL, signed Agreement with all pages attached must be returned.** Keep a copy for your records.

PRINTED Name and Title of Authorized Signor #1: _____

SIGNATURE of Authorized Signor #1: _____ Date _____

PRINTED Name and Title of Authorized Signor #2: _____

SIGNATURE of Authorized Signor #2: _____ Date _____

LEIGH A. WILLIS	Date
Deputy Superintendent for Consumer Finance	
Ohio Division of Financial Institutions	

ANTHONY D. SICILIANO
Consumer Finance General Counsel
Ohio Division of Financial Institution