

SETTLEMENT AGREEMENT

018381.001

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

and

BRIAN R. NICHOLS

3214 Suffolk Downs
Stow, OH 44224

The Division of Financial Institutions ("Division") 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."). Brian R. Nichols ("Applicant") is an individual who has applied with the Division for a loan originator license pursuant to R.C. Chapter 1322; the application remains pending.

Applicant voluntarily enters into this Settlement Agreement being fully informed of the right to representation by counsel, and the 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.

This Settlement Agreement contains the entire Settlement Agreement between the parties. There is no other Settlement Agreement of any kind, verbal or otherwise, on the issues considered herein, which varies the terms of the Settlement Agreement.

STIPULATIONS AND ADMISSIONS

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

- A. The Division is empowered by R.C. 1322.041 to issue a loan originator license if the Division finds, among other things, that the applicant has complied with R.C. sections 1322.01 to 1322.12, the OMBA.
- B. The Division is authorized by R.C. 1322.10(A)(1)(a) to refuse to issue a loan originator license 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, federal lending law, or any other law applicable to the business conducted under a certificate of registration[.]"

- C. R.C. 1322.02(B)(1) provides that “no individual shall act as a loan originator without first having obtained a license from the superintendent.”
- D. On April 30, 2010, Applicant’s loan originator license (LO.018381.000) expired for failure to renew.
- E. On or about July 20, 2010, Applicant submitted an application for a loan originator license pursuant to R.C. Chapter 1322.
- F. From May 1, 2010 through July 19, 2010, Applicant originated twenty-one residential mortgage loans.
- G. Because Applicant failed to comply with R.C. 1322.02(B)(1), the Division has the authority to refuse to issue Applicant a loan originator license.
- H. The Division enters into this Settlement Agreement in lieu of formal proceedings under R.C. Chapter 119 to refuse to issue Applicant a loan originator license on the basis of Applicant’s noncompliance with the OMBA.
- I. This Settlement Agreement is intended to fully resolve any issues regarding Applicant’s status as a loan originator and regarding any loans originated by Applicant prior to the issuance of license LO.018381.001 with respect to violations of R.C. 1322.02(B) occurring on or before the date of execution of this Settlement Agreement.
- J. The Division 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 continuing with any formal disciplinary proceedings at this time, Applicant knowingly and voluntarily agrees with the Division to the following terms, conditions and limitations:

- 1. As penalty for the violation of law described herein, Applicant agrees to pay a fine of five thousand dollars (\$5,000.00). Payment shall be in the form of a **cashier’s check or money order**, made payable to “Treasurer of State,” and shall be submitted to the Division with this Settlement Agreement.
- 2. Applicant understands that for this Settlement Agreement to be considered for acceptance by the Division, Applicant must be in compliance with every provision of this Settlement Agreement, and that the ORIGINAL properly executed Settlement Agreement, with all pages attached must be **received** in the offices of the Division on or before **August 20, 2010**. Should Applicant fully comply with every provision of this Settlement Agreement, the Division agrees to execute the same, and approve Applicant’s loan originator license application provided there are no remaining deficiencies with respect to the application.
- 3. Should the Division discover that Applicant has provided the Division with false, fraudulent, misleading, or incomplete information pertaining to this Settlement Agreement, Applicant agrees that such evidence will firmly establish that Applicant’s character and general fitness do not command the confidence of the public and warrant the belief that he will conduct business honestly and fairly in compliance with the purposes of the OMBA.

4. 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 Division's discretion, Applicant appears to have violated or breached any term or condition of this Settlement Agreement, the Division 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

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

Applicant hereby releases the Division, its members, employees, agents, officers and representatives jointly and severally from any and all liability arising from the within matter. Applicant shall not seek attorney fees or other costs arising from the within matter.

This Settlement Agreement shall be considered a public record as that term is used in R.C. section 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 the Division may take with respect to Applicant 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 Applicant: Brian R. Nichols

SIGNATURE of Applicant. _____

8-3-10

Date

Ohio Division of Financial Institution

LEIGH A. WILLIS

Deputy Superintendent for Consumer Finance
Ohio Division of Financial Institutions

8/6/10
Date

ANTHONY D. SICILIANO
Consumer Finance General Counsel

8/5/10
Date