

# SETTLEMENT AGREEMENT

#007093-2003

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, 21<sup>st</sup> Floor  
Columbus, OH 43215-6120

**Hereinafter referred to as "DFI"**

and

**DAVID F. KNOX**

8049 Saddle Run  
Powell, OH 43065

**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 during the 2003 calendar year. That license was cancelled because Respondent failed to pass the loan officer license examination. On April 27, 2006, Respondent submitted a new application for a loan officer license, which remains pending. On November 15, 2006, the Division issued respondent a Notice of Intent to Deny Loan Officer License Application and Notice of Opportunity for Hearing ("NOH").

Respondent 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 19, 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. DFI is empowered by R.C. 1322.10(A)(1)(a) to refuse to issue an applicant a loan officer license if DFI finds, among other things, that the applicant has failed to comply with the R.C. sections 1322.01 to 1322.12 or the rules adopted thereunder.
- B. DFI is empowered by R.C. section 1322.041 to issue an applicant a loan officer license if DFI finds, among other things, that the applicant has complied with R.C. sections 1322.01 to 1322.12.
- C. R.C. 1322.052 requires every loan officer to complete at least six (6) hours of approved continuing education every calendar year (by December 31<sup>st</sup>).
- D. Respondent held a loan officer license during the 2003 calendar year.

- E. Respondent admits that he failed to complete the required CE credit hours for the 2003 calendar year.
- F. Because Respondent failed to comply with R.C. section 1322.052, DFI has the authority to refuse to issue Respondent a loan officer license.
- G. DFI enters into this Settlement Agreement in lieu of formal proceedings under R.C. Chapter 119 to deny Respondent's 2006 application for a loan officer license on the basis of Respondent's admitted violations and noncompliance with the OMBA.
- H. 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 continuing with 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 violation of law described herein, Respondent agrees to pay a fine of five hundred dollars (\$500.00). 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. Respondent has completed six (6) hours of approved CE, which shall be applied toward the 2003 calendar year CE requirement. Respondent agrees to submit a copy of the attendance certificate(s) issued by the CE Provider with this Settlement Agreement, and to write in **RED INK on the face of a copy of the attendance certificate(s) "PLEASE APPLY TO 2003 CE REQUIREMENT."**
3. Respondent understands and agrees that the six (6) hours of CE credits earned are to be applied only to Respondent's 2003 CE requirement; these credits cannot be applied to Respondent's 2007 CE requirement, which must be completed by December 31, 2007.
4. Respondent understands and agrees that by executing this Settlement Agreement, Respondent admits that he has violated R.C. section 1322.052 by failing to complete the 2003 CE requirements of the OMBA, and that Respondent has been penalized in the form of a fine for this violation.
5. Respondent understands that for this Settlement Agreement to be considered for acceptance by DFI, Respondent 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 DFI on or before **March 30, 2007**. Should Respondent fully comply with every provision of this agreement, DFI agrees to execute the same, terminate the November 16, 2006 NOH, and approve Respondent's 2006 loan officer license application, provided there are no remaining deficiencies. Respondent will then be authorized to sit for the loan officer license examination.
6. 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 he will conduct business honestly and fairly in compliance with the purposes of the OMBA.

7. 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 he has been advised by DFI to seek legal counsel if he 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. Respondent 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 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 Respondent: \_\_\_\_\_

SIGNATURE of Respondent: \_\_\_\_\_

Date

\_\_\_\_\_  
RICHARD F. KECK Date  
Acting Deputy Superintendent for Consumer Finance  
Ohio Division of Financial Institutions

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