



## Ohio Department of Commerce

Division of Financial Institutions  
77 South High Street • 21st Floor  
Columbus, OH 43215-6120

**Ted Strickland**  
Governor

**Kimberly A. Zurz**  
Director

In the matter of:

**FREEDOM BANC MORTGAGE  
SERVICES, INC.**

325 Cramer Creek Court, Suite 205  
Dublin, Ohio 43017

)  
) Case No. M2008-527  
)  
) **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, Freedom Banc Mortgage Service, Inc. ("Respondent") is a corporation that holds a mortgage broker certificate of registration ("license") issued by the Division pursuant to the Ohio Mortgage Broker Act. The business address of record for Respondent is 325 Cramer Creek Court, Suite 205, Dublin, Ohio 43017; and

WHEREAS, on November 25, 2008, the Division issued Respondent a Notice of Intent to Revoke Mortgage Broker Certificate of Registration, Notice of Intent to Fine and Notice of Opportunity for a Hearing; and

WHEREAS, the Notice contained allegations and findings that:

- A. R.C. 1322.10(A)(1)(a) states that the superintendent may revoke a mortgage broker certificate of registration if the superintendent finds that a mortgage broker has committed a "violation of or failure to comply with any provision of sections 1322.01 to 1322.12 of the Revised Code[.]"
- B. R.C. 1322.10(A)(2) authorizes the Division to impose a fine against a mortgage broker registrant for violations of Chapter 1322.
- C. R.C. 1322.06 authorizes the Division to conduct examinations of mortgage broker records to determine compliance with Chapter 1322.
- D. R.C. 1322.02(B) prohibits any person from acting as a loan officer without first obtaining a license issued by the superintendent.
- E. R.C. 1322.031(E)(2) prohibits a mortgage broker from employing a loan officer on a temporary basis pending transfer of the loan officer's license to the mortgage broker unless the mortgage broker receives written confirmation from the superintendent that the loan officer is licensed under 1322.01 to 1322.12 of the Revised Code.

- F. Respondent employed an unlicensed loan officer, allowed him to originate six (6) residential mortgage refinance loans and was compensated for brokering the six loans.
- G. A compliance examination conducted of Respondent's mortgage broker records on March 12, 2008 determined that Respondent violated R.C. 1322.02(B), R.C. 1322.031(E)(2) and Ohio Admin. Code 1301: 8-7-08(B).
- H. Because Respondent violated R.C. 1322.02(B), 1322.031(E) and Ohio Admin. Code 1301:8-7-08(B), the Division is authorized under R.C. 1322.10(A)(a) to revoke Respondent's certificate of registration and impose a fine under R.C. 1322.10(A)(2).

WHEREAS, Respondent admits the allegations of the Division's November 25, 2008 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 Division's findings listed above.
- 2) Respondent acknowledges lawful service and receipt of the Notice, and stipulates to the jurisdiction of the Division in this matter.
- 3) Nothing in this Settlement and Consent Order shall be deemed to prevent the Division or its employees, agents, or assignees 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) In lieu of revoking its certificate of registration, Respondent agrees to pay a fine for the violations of law described herein in the amount of twenty-five thousand dollars (\$25,000.00). Payment shall be in the form of cashier's checks or money orders, made payable to "Consumer Finance Fund." Respondent shall submit three thousand dollars (\$3,000.00) to the Division with this Settlement and Consent Order. Respondent shall submit the remaining twenty-two thousand dollars (\$22,000.00) to the Division within sixty (60) days after entry of this Settlement and Consent Order.
- 5) Respondent hereby agrees to 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) The Division hereby terminates the Notice of Intent to Revoke, Notice of Intent to Impose Fine and Notice of Opportunity for Hearing issued November 25, 2008.
- 7) 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.
- 8) 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.
- 9) The parties agree that the terms of this Settlement and Consent Order bind the parties hereto, and their shareholders, partners, members, assignees, and successors in interest.
- 10) 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.
- 11) 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.
- 12) 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.
- 13) Respondent must submit this Settlement and Consent Order completed per the terms dictated herein, no later than **February 23, 2009**.

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

- A. The parties to this Settlement and Consent Order shall abide by the terms of this Order as agreed.
- B. Nothing in this settlement agreement and consent order shall deem to prevent the Division from taking any administrative action due to deficiencies which may arise in Respondent's violations of Chapter 1322 not specifically addressed in the Notice.
- C. The Notice of Intent to Revoke Respondent's Mortgage Broker Certificate of Registration, Notice of Intent to Impose Fine and Notice of Opportunity for Hearing issued November 25, 2008 is hereby terminated.

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

Approved and Agreed:

The Settlement Agreement & Consent Order must be signed by: the owner if the registrant 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 Settlement Agreement & Consent Order with all pages attached must be returned. Keep a copy for your records.**

PRINTED Name of authorized signor #1: \_\_\_\_\_ Date

SIGNATURE of authorized signor #1: \_\_\_\_\_ Date

PRINTED Name of authorized signor #2: \_\_\_\_\_ Date

SIGNATURE of authorized signor #2: \_\_\_\_\_ Date