



## Ohio Department of Commerce

Division of Financial Institutions  
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**Ted Strickland**  
Governor

**Kimberly A. Zurz**  
Director

In the matter of:

**EARL C. PAELTZ**

7500 Huckleberry Lane  
Cincinnati, OH 45242

) Case No. M2009-10  
)  
)  
)

**SETTLEMENT & CONSENT ORDER**

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, EARL C. PAELTZ ("Respondent") is an individual that was issued a loan officer license pursuant to R.C. Chapter 1322 that expired on April 30, 2008. Respondent timely filed a 2008 renewal application which remains pending. Respondent's loan officer license remains in Active status pursuant to R.C. 119.06. Respondent has no current employer of record; and

WHEREAS, on January 9, 2009, the Division issued Respondent a Notice of Intent to Deny Loan Officer License Renewal Application and Notice of Opportunity for a Hearing; and

WHEREAS, the Notice contained allegations and findings that:

- A. Respondent was the sole member and operations manager of TGAAMC, L.L.C. d/b/a Neighborhood Mortgage Services, which was fined \$1,400 in Division Case No. M2007-653 for violating R.C. 1322.03(A)(3), R.C. 1322.04(D), and OAC 1301:8-7-12(I), which stemmed from not having an operations manager in place; and had its OMBA Certificate of Registration revoked in Division Case No. M2008-288 for violating R.C. 1322.07(C) and 1322.072, which stemmed from its failure to pay the fine imposed in Case No. M2007-653 and for knowingly failing to comply with a Division examination.
- B. The \$1,400 fine imposed against TGAAMC, L.L.C. d/b/a Neighborhood Mortgage Services in Case No. M2007-653 remains unpaid.
- C. As operations manager, Respondent was the individual responsible for TGAAMC, LLC's day-to-day operations, compliance requirements, and management of its mortgage broker business. See R.C. 1322.01(H), R.C. 1322.03(A)(3), and OAC 1301:8-7-02(L).
- D. As a result of the findings listed above, the Division has determined that Respondent's actions, as described above, show Respondent's character and general fitness do not command the confidence of the public and warrant the belief that the business will be operated honestly and fairly in compliance with the purposes of the Ohio Mortgage Broker Act. Accordingly, Respondent does not meet the loan officer license renewal requirement found in R.C. 1322.041(A)(6) and (B)(3).

WHEREAS, a hearing on this matter is scheduled for Monday, April 20, 2009 at 10:00 a.m. in Room 1914 of the Vern Riffe Center for Government and the Arts, 77 South High Street in Columbus, Ohio;

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, stipulates to the jurisdiction of the Division in this matter, and admits to the allegations contained in the Notice.
- 3) In lieu of proceeding with an administrative hearing on this matter, Respondent agrees to the following:
  - a) For the fine levied by the Division in Case No. M2007-653, which was referred by the Division for collection to the Ohio Attorney General's Office, Collections Enforcement Section, Respondent agrees to pay one thousand six hundred sixty-three dollars and fifty-one cents (\$1,663.51). Payment shall be in the form of a cashier's check or money order, made payable to "State of Ohio" or "Ohio Attorney General" and shall be submitted with this Settlement and Consent Order to the Division at 77 S. High Street, 21st Floor, Columbus, Ohio 43215.
  - b) Respondent will submit an acceptable written response with documented proof of its compliance in reply to the Division's January 31, 2008 compliance examination letter. Respondent's written response with proof of compliance shall be submitted with this Settlement and Consent Order to the Division at 77 S. High Street, 21st Floor, Columbus, Ohio 43215.
- 4) 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.
- 5) Upon its receipt of the fines described in paragraph 3(a) and receipt of an acceptable written response as required by paragraph 3(b), the Division agrees to and hereby terminates the Notice of Intent to Deny Respondent's Loan Officer License Application and Notice of Opportunity for Hearing issued January 9, 2009, and approves Respondent's pending 2008 renewal application provided there are no remaining renewal deficiencies.
- 6) 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.
- 7) 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.

- 8) 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.
- 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 he 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 **April 20, 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. When this Settlement and Consent Order becomes effective as a final order, the Division shall again review Respondent's loan officer license renewal application. Provided the application does not contain any deficiencies, the Division will issue Respondent a loan officer license with an expiration date of April 30, 2009. 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 loan officer license renewal application not specifically addressed in the Notice.
- C. The Notice of Intent to Deny Respondent's Loan Officer License Renewal Application and Notice of Opportunity for Hearing issued January 9, 2009 is hereby terminated.

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

Approved and Agreed:                     

EARL C. PAELTZ                                           Date  
Respondent

SCOTT A. KOSSOUDJI, ESQ                                           Date  
Attorney for Respondent, Earl C. Paeltz