

**STATE OF OHIO**  
**DEPARTMENT OF COMMERCE**  
**Division of Financial Institutions**  
**Consumer Finance**

In the matter of:

**HERITAGE FINANCIAL GROUP, LLC**

497 Circle Freeway Drive, Suite 228

Cincinnati, Ohio 45246

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Case No. M2007-316

**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, Heritage Financial Group, LLC ("Respondent") is an Ohio Limited Liability Corporation that is registered with the Division as a mortgage broker pursuant to R.C. Chapter 1322. The business address of record for Respondent is 497 Circle Freeway Drive, Suite 228, Cincinnati, Ohio 45246; and

WHEREAS, on August 6, 2007, the Division issued Respondent a Notice of Intent to Revoke Mortgage Broker Registration and Notice of Opportunity for a Hearing; and

WHEREAS, the Notice contained allegations and findings that:

- A. The Division is authorized by R.C. 1322.10(A)(1)(a) to revoke a mortgage broker certificate of registration if the Division finds that the applicant has violated "or failed to comply with any provisions of sections 1322.01 to 1322.12 of the Revised Code or the rules adopted under those sections or any other law applicable to the business conducted under a certificate of registration[.]"
- B. R.C. 1322.07(C) prohibits a registrant from engaging in conduct that constitutes improper, fraudulent, or dishonest dealings.
- C. R.C. 1322.02(B) prohibits a person from acting as a loan officer without first having obtained a license from the superintendent.
- D. R.C. 1322.031(E)(2) provides that a licensee, whose employment has been terminated, may request the transfer of the license to another mortgage broker by submitting a relocation application along with a fifteen dollar fee to the superintendent. R.C. 1322.031(E)(2) also provides that a licensee whose license is held in escrow shall cease activity as a loan officer. Further, a mortgage broker may employ a loan officer on a temporary basis pending the transfer of the loan officer's license to the mortgage broker if the mortgage broker receives written confirmation from the superintendent that the loan officer is licensed under the OMBA. See R.C. 1322.031(E)(2).

- E. Christopher G. Roach was issued a loan officer license on May 20, 2002 under the employment of mortgage broker registrant Omega Mortgage Banc, LLC.
- F. On or about April 30, 2005, the Division received a notice of loan officer termination from Mr. Roach's employer, Omega Mortgage Banc, LLC. As there was no longer an employer of record, Mr. Roach's loan officer license was placed in escrow and he was thus prohibited from originating loans.
- G. Mr. Roach failed to renew his loan officer license prior to its expiration on April 30, 2006. Accordingly, Mr. Roach's loan officer license was not renewed by operation of law and Mr. Roach was required to cease activity as a loan officer pursuant to R.C. 1322.041(C).
- H. On September 21, 2006, Mr. Roach reapplied for a loan officer license with Respondent listed as the employing mortgage broker. The application's attached Certificate of Employment was signed on September 13, 2006 by Steve Mahl, operations manager for Respondent.
- I. From approximately January 2006 to November 2006, Mr. Roach originated or assisted in the origination of fourteen residential mortgage loans as a loan officer employed by Respondent.
- J. Before Mr. Roach began working as a loan officer for Respondent, a loan officer transfer application and fee, as required by R.C. 1322.031(E)(2), were never filed with the Division. Respondent never requested written confirmation from the Division that Mr. Roach was licensed under the OMBA. A loan officer license was never issued permitting Mr. Roach to work as a loan officer for Respondent.
- K. From January 2006 through April 2006, Respondent employed Mr. Roach as a loan officer while Mr. Roach's license was in escrow status pursuant to R.C. 1322.031(E)(2).
- L. From May 2006 through November 2006, Respondent employed Mr. Roach as an unlicensed loan officer.
- M. R.C. 1322.062 requires a mortgage broker to deliver to the buyer a "mortgage loan origination disclosure statement" that discloses specific information concerning the registrant, the loan officer, the services provided, payment of third-party fees, and compensation to the registrant.
- N. Of the fourteen residential mortgage loans originated by Mr. Roach on behalf of Respondent, none of those buyers received a mortgage loan origination disclosure statement that conformed to the requirements specified in R.C. 1322.062.
- O. Respondent violated R.C. 1322.031(E)(2), R.C. 1322.062, and R.C. 1322.07(C).

- P. Because Respondent violated or failed to comply with R.C. 1322.031(E)(2), R.C. 1322.062, and R.C. 1322.07(C), the Division is authorized under R.C. 1322.10(A)(1)(a) to revoke Respondent's mortgage broker certificate of registration.

WHEREAS, Respondent admits the allegations of the Division's August 6, 2007 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 proceeding with an administrative hearing concerning the Division's intent to revoke Respondent's certificate of registration, Respondent agrees to pay a fine for the violation of law described herein in the amount of fourteen thousand dollars (\$14,000.00). 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 the Division at the address indicated above with this Settlement and Consent Order. Respondent also agrees to attach to this Settlement and Consent Order a copy of a conforming Mortgage Loan Origination Disclosure Statement that it will use as required by the OMBA and the rules adopted thereunder.
- 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 Respondent's Mortgage Broker Registration and Notice of Opportunity for Hearing issued August 6, 2007.
- 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 August 31, 2007.

For purposes of effecting this Settlement and Consent Order, it is hereby ORDERED and DECREED that the parties to this Settlement and Consent Order shall abide by the terms of this Order as agreed.

**Approved and Agreed:**

**Heritage Financial Group, LLC**

By: \_\_\_\_\_

\_\_\_\_\_  
Date

By: \_\_\_\_\_

\_\_\_\_\_  
Date

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**RICHARD F. KECK**  
Acting Deputy Superintendent of Consumer Finance  
Division of Financial Institutions  
Ohio Department of Commerce

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Date