

# SETTLEMENT AGREEMENT

# 501604

This Settlement Agreement is entered into by and between:

**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

**COMMUNITY LOAN, INC.**  
113 North 5<sup>th</sup> Street, Suite 201  
Zanesville, OH 43701  
**Hereinafter referred to as "Community Loan"**

DFI is a state agency charged with the responsibility of administering and enforcing the Ohio Mortgage Loan Act ("OMLA"), codified in Sections 1321.51 to 1321.60 of the Ohio Revised Code ("R.C."). Community Loan is an Ohio corporation that applied to the Division on August 20, 2010 to renew its OMLA certificate of registration; the renewal application remains pending.

Community Loan voluntarily enters into this Settlement Agreement.

## **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. 1321.54(B) to refuse to renew the certificate of registration of a second mortgage lender if the applicant is in default in the payment of the annual fee prescribed in R.C. 1321.20.
- B. Pursuant to R.C. 1321.53(A)(4), Community Loan was required to submit its 2010 renewal application with annual fee to DFI by June 30, 2010.
- C. Community Loan submitted its 2010 renewal application on August 20, 2010; that application remains pending.

- D. Community Loan understands that because it did not timely submit its renewal application, DFI has the authority to refuse to renew Community Loan's OMLA certificate of registration.
- E. DFI enters into this Settlement Agreement in lieu of formal proceedings under R.C. Chapter 119 to deny Community Loan's 2010 renewal application on the basis of its untimely filing.
- F. DFI expressly reserves the right to institute formal proceedings based upon any violation of or noncompliance with any provision of the OMLA 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 any formal disciplinary proceedings at this time, Community Loan knowingly and voluntarily agrees with DFI to the following terms, conditions and limitations:

1. If Community Loan properly files this Agreement and fully complies with every provision, DFI agrees to execute the same and to approve Community Loan's OMLA 2010 renewal application provided there are no remaining deficiencies with respect to the application.
2. As penalty for the violation of law described herein, Community Loan agrees to pay a fine of **three hundred dollars (\$300.00)**. 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 DFI with this Settlement Agreement.
3. Community Loan understands and agrees that if DFI discovers that Community Loan has provided DFI with false, fraudulent, or misleading information in regard to its renewal application, Community Loan agrees that such evidence shall firmly establish that Community Loan's financial responsibility and general fitness do not command the public's confidence, pursuant to R.C. 1321.53(A)(4).
4. Community Loan understands and agrees that this Agreement 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.
5. If Community Loan violates any term of this Settlement Agreement, DFI may reject the Settlement Agreement and proceed with formal proceedings under R.C. Chapter 119 to deny Community Loan's renewal application.
6. The above-described terms, conditions and limitations may be amended or terminated at any time upon the written agreement of both parties.

7. This settlement agreement must be received by the Division no later than **December 23, 2010.**

### **FAILURE TO COMPLY**

If, in the discretion of DFI, Community Loan 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**

Community Loan acknowledges that it has been advised by DFI to seek legal counsel if it has any question concerning the terms and/or effect of this Settlement Agreement.

Community Loan hereby releases DFI, its members, employees, agents, officers and representatives jointly and severally from any and all liability arising from the within matter.

This Settlement Agreement 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.

This Settlement Agreement in no way binds or limits future actions DFI may take with respect to Community Loan 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 Settlement Agreement must be signed by: the owner if the OMLA certificate holder 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 Agreement with all pages attached must be returned.** Keep a copy for your records.

PRINTED Name and Title of Authorized Signor #1: \_\_\_\_\_

DONALD E. BOYES, Executive Vice President  
12/10/10 not secretary  
Date

SIGNATURE of Authorized Signor #1: \_\_\_\_\_

PRINTED Name and Title of Authorized Signor #2: \_\_\_\_\_

MICHAEL R. STEEN PRESIDENT/CEO  
12/15/10  
Date

SIGNATURE of Authorized Signor #2: \_\_\_\_\_

12-20-10  
CAROLYN L. BRADFORD  
Superintendent  
Ohio Division of Financial Institutions

Date

12/17/2010  
LORI A. MASSEY  
Consumer Finance Attorney  
Ohio Division of Financial Institution

Date