

SETTLEMENT AGREEMENT

03MBSA0106

by and between

THE OHIO DEPARTMENT OF COMMERCE
DIVISION OF FINANCIAL INSTITUTIONS

Consumer Finance Section

77 South High Street, 21st Floor
Columbus, OH 43215-6120

03 AUG -4 AM 11:49
DIVISION OF FINANCIAL INSTITUTIONS

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802582

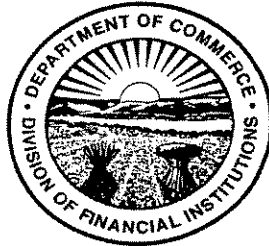
GUARDIAN MORTGAGE, LLC.

DBA - GUARDIAN FIRST MORTGAGE

307 NORTH HURSTBOURNE - SUITE 290

LOUISVILLE, KY 40222

This Settlement Agreement is a legally binding document that affects the rights of your mortgage brokerage company. Read it carefully. If you have any questions, consult an attorney.



CHECK NO 3001
AMOUNT 41000.00
DATE 7/17/2003
REC. BY AB

If you choose to enter into this Settlement Agreement, you must follow it EXACTLY. If you fail to follow any one filing instruction or any one provision of the Agreement, the Division may reject the Agreement.

All of the following must be completed and RETURNED to the Division in the envelope provided no later than FRIDAY, AUGUST 29, 2003:

- ☐ All pages of this Settlement Agreement, including this cover page, must remain attached.
- ☐ The Settlement Agreement must be signed by: the owner if the mortgage broker 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 Agreement with all pages attached must be returned. Keep a copy for your records.
- ☐ A cashier's check or money order in the amount of \$1,000.00, made payable to DFI Consumer Finance, must be enclosed. NO OTHER METHOD OF PAYMENT WILL BE ACCEPTED. If the envelope does not contain a cashier's check or money order in the amount of \$1,000.00, your package will be returned and the Settlement Agreement will not be accepted.

- B. DFI is authorized by R.C. 1322.10(A)(1)(a) to refuse to renew an applicant's mortgage broker certificate of registration if DFI finds that the applicant has violated "or fail[ed] to comply with any provision 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[.]"
- C. R.C. 1322.052 requires every operations manager to complete at least six (6) hours of approved continuing education every calendar year (by December 31st).
- D. Because 2002 was the first year in which the law imposed CE requirements on operations managers, DFI extended Respondent's CE deadline into March of 2003.
- E. Respondent's mortgage broker certificate of registration expired on April 30, 2003. In an effort to renew its certificate, Respondent submitted to DFI a renewal application; the renewal application remains pending.
- F. Respondent admits that, despite the extension of time granted to Respondent to comply with the CE requirements, Respondent failed to complete the required CE credit hours by the extended deadline.
- G. DFI's records indicate that Respondent did complete six (6) hours of approved CE AFTER the expiration of the extended deadline.
- H. Because Respondent failed to comply with R.C. 1322.052, DFI has the authority to refuse to renew Respondent's mortgage broker certificate of registration.
- I. DFI enters into this Settlement Agreement in lieu of formal proceedings under R.C. Chapter 119 to deny Respondent's renewal application for a mortgage broker certificate of registration on the basis of Respondent's admitted noncompliance with the OMBA.
- J. 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 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 violations of law described herein, Respondent agrees to pay a fine of one thousand dollars (\$1,000.00). 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 DFI with this Settlement Agreement.
2. Respondent hereby requests DFI to apply the six (6) hours of CE Respondent completed after the extended deadline to Respondent's 2002 CE requirement.
3. Respondent understands and agrees that the six (6) hours of CE credits earned are to be applied only to Respondent's 2002 CE requirement; these credits cannot be applied to Respondent's 2003 CE requirement, which must be completed by December 31, 2003.
4. Respondent understands and agrees that if Respondent fails to follow any term of this Settlement Agreement or any filing instruction, DFI may reject the Settlement Agreement and initiate formal proceedings under R.C. Chapter 119 to deny Respondent's renewal application for a mortgage broker certificate of registration.
5. Respondent understands and agrees that by executing this Settlement Agreement, Respondent admits that it has violated R.C. Section 1322.04(B)(2) by failing to complete the 2002 CE requirement of the OMBA, and that Respondent has been penalized in the form of a fine for this violation.
6. Respondent understands that it must comply with every provision herein, and that to be considered for acceptance by DFI, the ORIGINAL properly executed Settlement Agreement, with all 5 pages attached, must be received in the offices of DFI on or before Friday, August 29, 2003.
7. If Respondent properly files this Agreement and fully complies with every provision, DFI agrees to execute the same, to approve Respondent's renewal application(s), and to issue Respondent a mortgage broker certificate(s) of registration for the period ending April 30, 2004.



Ohio Department of Commerce

Division of Financial Institutions
77 South High Street • 21st Floor
Columbus, OH 43215-6120
(614) 728-8400 FAX (614) 644-1631
www.com.state.oh.us

Bob Taft
Governor

Lt. Governor Jennette Bradley
Director

READ THIS LETTER AND THE ENCLOSED DOCUMENTS CAREFULLY; THEY AFFECT YOUR LEGAL RIGHTS. IF YOU HAVE ANY QUESTIONS, CONSULT AN ATTORNEY.

802582

GUARDIAN MORTGAGE, LLC.
DBA - GUARDIAN FIRST MORTGAGE
307 NORTH HURSTBOURNE - SUITE 290
LOUISVILLE, KY 40222

July 15, 2003

03MBSA0106

Re: Failure to meet CE renewal requirement—CE credits earned After Deadline

Dear Operations Manager:

Our records indicate that you have failed to fulfill your 2002 continuing education ("CE") requirement; the CE credits you did complete were earned after the deadline for completion of your 2002 CE credits. Therefore, the mortgage broker certificate of registration for your company cannot be renewed.

If there is an error in our records, do not telephone the Division. Rather, fax a copy of your attendance certificate(s) to Adam Barbina @ 614-644-1631.

Because your failure to comply with the Ohio Mortgage Broker Act will put an Ohio company and all of its employees out of business, the Division is willing to settle this matter on the terms of the enclosed Settlement Agreement. **The Settlement Agreement is a binding legal document. The terms are not negotiable. If you have any questions, you should consult an attorney.** The basic terms of the Agreement require: (1) assignment of six (6) of the CE credits you have earned to your 2002 CE requirement; (2) acknowledgement that those CE credits assigned to your 2002 CE requirement cannot be applied to your 2003 CE requirement; and (3) payment of a \$1,000.00 fine. If your company chooses this option, the enclosed Settlement Agreement must be completed and returned to the Division in the envelope provided no later than Friday, August 29, 2003. If you comply with every term of the Agreement and properly file it by the deadline, the Division will accept the Agreement and will then renew your mortgage broker certificate of registration.

If your company does not wish to settle and would prefer to have a formal proceeding concerning the denial of your renewal application for a mortgage broker certificate of registration, you do not need to respond. **If the Division does not receive the enclosed Settlement Agreement on or before Friday, August 29, 2003, the Division will begin formal proceedings to deny your renewal application for a mortgage broker certificate of registration.**

The Division will not take any calls regarding this matter; your options are outlined above. Read the enclosed documents carefully. Consult an attorney. If you choose to settle, follow the instructions on the enclosed Settlement Agreement EXACTLY. Failure to follow any one of the instructions can result in rejection of your Settlement Agreement and initiation of denial proceedings.

Sincerely,

Robert M. Grieser

Robert M. Grieser
Deputy Superintendent for Consumer Finance

RMG/AMA
Encls.



GUARDIAN MORTGAGE

RECEIVED
DIVISION
2003 JUL 17 PM 12:05

Robert Grieser
Division of Financial Institutions
77 South High Street
21st Floor
Columbus, OH 43215

CHECK NO. 3001
AMOUNT \$ 1000.-
DATE JUL 17 2003
REC. BY [Signature]

Dear Robert Grieser:

Subject: Guardian First Mortgage File #802582

Please find enclosed a check for \$1000.00 to cover the fine for the Ohio Mortgage Broker License renewal. I spoke with Jane today in your Department and she informed me that I would receive a letter detailing the fact that our renewal application was denied because I as Operations Manager did not complete the continuing education requirement in a timely manner. Although I have not received the letter yet detailing my options, I am leaving on vacation tomorrow and want this matter resolved. Could you please call me on my mobile phone at (502) 817-2270 to let me know what remedies I can pursue to reduce or eliminate this fine? I would be very appreciative for any assistance you can offer me.

Sincerely,

Robert F. Bruns, Jr.
President
Guardian Mortgage, L.L.C.
Enclosure (1)

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 mortgage broker 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 Agreement with all pages attached must be returned.** Keep a copy for your records.

PRINTED Name of authorized signor #1:

Robert F. Beaus, Jr.

SIGNATURE of authorized signor #1:

7.31.03 Date

PRINTED Name of authorized signor #2:

SIGNATURE of authorized signor #2:

_____ Date

PRINTED Name of authorized signor #3:

SIGNATURE of authorized signor #3:

_____ Date

PRINTED Name of authorized signor #4:

SIGNATURE of authorized signor #4:

_____ Date

ROBERT M. GRIESER

8/4/03
DATE

Deputy Superintendent for Consumer Finance
Ohio Division of Financial Institutions

AMANDA M. AXTELL

8/4/03
DATE

Consumer Finance Legal Counsel
Ohio Division of Financial Institutions