

# SETTLEMENT AGREEMENT

#007088-2004CE

This Settlement Agreement is entered into by and between:

THE 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."

&

Gregory M. Hermann  
1659 East Lakeview Avenue  
Columbus, Ohio 43224

Hereinafter referred to as "Respondent."

DFI is a state agency charged with the responsibility of administering and enforcing the Ohio Mortgage Broker Act ("OMBA"), codified in Chapter 1322 of the Ohio Revised Code ("R.C."). Respondent is an individual that held a loan officer license during the 2004 calendar year. That license was cancelled because Respondent failed to pass the loan officer license examination. On January 25, 2005 Respondent submitted a new application for a loan officer license. On May 25, 2005, DFI issued a notice of intent to deny the January 25, 2005 application, for among other reasons, Respondent's failure to complete continuing education requirements for the 2004 calendar years as mandated by R.C. 1322.052. The January 25th application remains pending.

Respondent voluntarily enters into this Settlement Agreement being fully informed of the right to representation by counsel, and the right to reject this Settlement Agreement and to proceed to a formal adjudicative hearing, pursuant to R.C. Chapter 119, on the issues considered herein.



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## **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. 1322.041 to issue an applicant a loan officer license if DFI finds, among other things, that the applicant's character and general fitness 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 OMBA.
- B. R.C. 1322.052 requires every loan officer to complete at least six (6) hours of approved continuing education every calendar year (by December 31<sup>st</sup>).
- C. Respondent held a loan officer license during the 2004 calendar year.
- D. Respondent admits that he failed to complete the required CE credit hours for the 2004 calendar year.
- E. Because Respondent failed to comply with R.C. 1322.052, DFI has the authority to refuse to issue Respondent a new loan officer license.
- F. DFI enters into this Settlement Agreement in lieu of formal proceedings under R.C. Chapter 119 to deny Respondent's application for a loan officer license on the basis of Respondent's admitted noncompliance with the OMBA.
- G. 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 (\$1000.00). 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 has completed six hours of approved CE, which shall be applied toward the 2004 calendar year. Respondent agrees to submit a copy of the attendance certificate(s) issued by the CE Provider with this Settlement Agreement, and to write in **RED INK on the face of a copy of the attendance certificate(s) "PLEASE APPLY TO 2004 CE REQUIREMENT."**
3. Respondent understands and agrees that the six (6) hours of CE credits earned are to be applied only to Respondent's 2004 CE requirement; these credits cannot be applied to Respondent's 2005 CE requirement, which must be completed by December 31, 2005.
4. Respondent understands and agrees that by executing this Settlement Agreement, Respondent admits that he has violated R.C. Section 1322.052 by failing to complete the 2004 CE requirement of the OMBA, and that Respondent has been penalized in the form of a fine for this violation.
5. Respondent understands that for this Settlement Agreement to be considered for acceptance by DFI, Respondent must be in compliance with every provision of this Settlement Agreement, and that the ORIGINAL properly executed Settlement Agreement, with all pages attached, must be received in the offices of DFI on or before **October 14, 2005**. Should Respondent fully comply with every provision of this agreement, DFI agrees to execute the same, terminate DFI's notice of May 25, 2005, approve Respondent's application, and issue Respondent a loan officer license.

6. Should DFI discover that Respondent has provided DFI with false, fraudulent, misleading, or incomplete information pertaining to this Agreement, Respondent agrees that such evidence will firmly establish that Respondent's character and general fitness do not command the confidence of the public and warrant the belief that it will conduct business honestly and fairly in compliance with the purposes of the OMBA. Respondent further agrees that such discovery is grounds for permanent revocation of its loan officer license.
7. The above-described terms, conditions and limitations may be amended or terminated at any time upon the written agreement of both parties.

#### **FAILURE TO COMPLY**

If, in the discretion of DFI, Respondent 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**

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

Respondent 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 Respondent 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 ORIGINAL, signed Agreement with all pages attached must be returned.  
Keep a copy for your records.

PRINTED Name of loan officer:

GREGORY M. HERMANN

SIGNATURE of loan officer:

[Signature] Date 12-13-05

[Signature]  
ROBERT M. GRIESER

DATE

Deputy Superintendent for Consumer Finance  
Ohio Division of Financial Institutions

[Signature]  
MARK L. RHEA

DATE

Consumer Finance Staff Attorney  
Ohio Division of Financial Institutions

**HONDROS  
COLLEGE**

*Mortgage Broker Continuing Education  
Certificate of Attendance*

Gregory Hermann

7088

Attendee

Loan Officer/Operations Manager Number

1659 E. Lakeview Ave. Columbus, OH 43224

Address

*Awarded for successful completion of 3 credit hours of continuing education in the  
following courses.*

*Course Title: High Loan to Value*

*We certify that these hours meet the requirements for Continuing Education under  
Section 1322.052 of the Ohio Revised Code.*

*Linda Hondros*

Linda Hondros, Verifier

12/19/2005

Date of Issuance

*Hondros College · 4140 Executive Parkway · Westerville, Ohio 43081*

**HONDROS  
COLLEGE**

*Mortgage Broker Continuing Education  
Certificate of Attendance*

Gregory Hermann

7088

Attendee

Loan Officer/Operations Manager Number

1659 E. Lakeview Ave. Columbus, OH 43224

Address

*Awarded for successful completion of 3 credit hours of continuing education in the  
following courses.*

*Course Title: Inside the Real Estate Loan Process*

*We certify that these hours meet the requirements for Continuing Education under  
Section 1322.052 of the Ohio Revised Code.*

*Linda Hondros*

Linda Hondros, Verifier

12/18/2005

Date of Issuance

*Hondros College · 4140 Executive Parkway · Westerville, Ohio 43081*