



Ohio Department of Commerce

Division of Financial Institutions
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Ted Strickland
Governor

Kimberly A. Zurz
Director

In the matter of:

VILLA MORTGAGE, INC.

2796 Mack Road
Fairfield, OH 45014

&

LARRY FISHER

1600 Mt. Zion Road
Jackson, OH 45640

Case Nos. M2007-38 & M2007-277

**SETTLEMENT AND
CONSENT ORDER**

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DIVISION OF FINANCIAL
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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, Villa Mortgage, Inc. ("Villa Mortgage") is an Ohio corporation that is registered with the Division as a mortgage broker pursuant to R.C. Chapter 1322. The business address of record for Villa Mortgage is 2796 Mack Road, Fairfield, Ohio 45014; and

WHEREAS, Larry Fisher is an individual that holds a loan officer license issued by the Division to originate residential mortgage loans pursuant to R.C. Chapter 1322. Larry Fisher's address of record is 1600 Mt. Zion Road, Jackson, Ohio 45640. Villa Mortgage is Larry Fisher's employer of record; and

WHEREAS, on May 30, 2007, in Case No. M2007-38, the Division issued Villa Mortgage a Notice of Intent to Revoke Mortgage Broker Registration and Notice of Opportunity for a Hearing and, in Case No. M2007-277, issued Larry Fisher a Notice of Intent to Revoke Loan Officer License and Notice of Opportunity for a Hearing; and

WHEREAS, for purposes of efficiency and expediency, Case Nos. M2007-38 and M2007-277 are hereby consolidated and finalized together in this Settlement and Consent Order;

WHEREAS, the Notices 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 or loan officer license if the Division finds that the registrant or licensee 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. 1322.02(A)(1) provides that no person, on the person’s own behalf or on behalf of any other person, shall act as a mortgage broker without first having obtained a certificate of registration from the Division for every office to be maintained by the person for the transaction of business as a mortgage broker in this state.
- C. R.C. 1322.02(A)(2) provides that no person shall act or hold that person’s self out as a mortgage broker under the authority or name of a registrant without first having obtained a certificate of registration from the Division for every office to be maintained by the person for the transaction of business as a mortgage broker in this state.
- D. In or around 2006 from its unregistered Jackson, Ohio office, Villa Mortgage originated twenty-eight (28) first-lien residential mortgage loans in violation of R.C. 1322.02(A)(1) and (2).
- E. R.C. 1322.02(B) prohibits anyone, on the person’s own behalf or on behalf of any other person, from acting as a loan officer without first having obtained a license from the Division.
- F. In 2006, at Villa Mortgage’s unregistered Jackson, Ohio office, Villa Mortgage employed Sheri L. Sturgill, an unlicensed individual, as a loan officer—as defined in R.C. 1322.01(E)—who originated and/or otherwise assisted in the origination of six (6) first-lien residential mortgage loans. Said employment of an unlicensed individual as a loan officer violated R.C. 1322.02(B) and R.C. 1322.07(C), which prohibits a registrant from engaging in improper conduct.
- G. In 2006, at Villa Mortgage’s unregistered Jackson, Ohio office, Respondent employed Maria J. Colvin, an unlicensed individual, as a loan officer—as defined in R.C. 1322.01(E)—who originated and/or otherwise assisted in the origination of four (4) first-lien residential mortgage loans. Said employment of an unlicensed individual as a loan officer violated R.C. 1322.02(B) and R.C. 1322.07(C), which prohibits a registrant from engaging in improper conduct.
- H. R.C. 1322.062 requires a mortgage broker registrant to deliver to the buyer a mortgage loan origination disclosure statement, with certain information concerning the loan disclosed therein, within three business days after taking a loan application from a buyer.
- I. R.C. 1322.07(F) provides that no mortgage broker or licensee shall knowingly instruct, solicit, propose, or otherwise cause a buyer to sign, in blank, a mortgage related document.

- J. In 2006, Villa Mortgage, through its employees Larry Fisher and/or Sheri L. Sturgill and/or Maria J. Colvin, knowingly instructed, solicited, proposed, or otherwise caused nine (9) persons to sign, in blank, mortgage loan origination disclosure statements in violation of R.C. 1322.07(F).
- K. In 2006, Villa Mortgage entered into a contract with Jackson County Broadcasting, Inc. of Jackson, Ohio to run a radio advertisement(s) that encouraged listeners who need a home loan to “stop and see Larry Fisher, Maria Colvin, or Sherri [sic] Sturgill at Villa Mortgage, 920 Veterans Drive in Jackson[, Ohio].”
- L. By holding out unlicensed individuals as loan officers to the public through a radio advertisement, Villa Mortgage violated R.C. 1322.07(C), which prohibits a registrant from engaging in improper conduct.
- M. In 2006, Villa Mortgage’s website www.villamortgage.com listed an office location in Jackson, Ohio at 920 Veterans Dr., Suite A, with phone number 740-286-8100 and fax number 740-286-8177.
- N. By soliciting business for an unregistered location through a radio advertisement and a website, Respondent violated R.C. 1322.07(C), which prohibits a registrant from engaging in improper conduct.
- O. Because Villa Mortgage violated or failed to comply with R.C. sections 1322.02(A)(1), (2) and (B) and 1322.07(C) and (F), the Division is authorized under R.C. 1322.10(A)(1)(a) to revoke Villa Mortgage’s mortgage broker certificate of registration.
- P. R.C. 1322.031(E)(1) provides that the business of a loan officer shall principally be transacted at an office of the employing mortgage broker, which office is registered in accordance with R.C. 1322.02(A).
- Q. In 2006, Larry Fisher transacted loan officer business while employed with Villa Mortgage at the mortgage broker’s unregistered Jackson, Ohio office in violation of R.C. 1322.031(E)(1) and 1322.07(C), which prohibits a licensee from engaging in improper conduct.
- R. Because Larry Fisher violated or otherwise failed to comply with R.C. sections 1322.07(C) and (F) and 1322.031(E)(1), the Division is authorized under R.C. 1322.10(A)(1)(a) to revoke his loan officer license.

WHEREAS, Villa Mortgage and Larry Fisher admit the allegations of the Division’s May 30, 2007 Notice.

WHEREAS, Villa Mortgage and Larry Fisher respond to the Division's allegations:

- 1) Villa Mortgage and Larry Fisher always endeavor to maintain proper documentation included in its loan files of fees charged by third party service providers and of fees paid to Villa Mortgage and its employees. However, Villa Mortgage failed to properly document or otherwise completely fill out certain areas on certain mortgage loan origination disclosure statements.
- 2) Villa Mortgage states that each customer received actual disclosure of all fees to be paid by borrowers either on mortgage loan origination disclosure statements or on the Good Faith Estimate, but admits that certain mortgage loan origination disclosure statements were not properly completed.
- 3) Villa Mortgage states that at no time did it intentionally instruct borrowers to sign false or incomplete mortgage documents and states that it always endeavors to ensure that forms and disclosures are properly executed. Villa Mortgage admits, however, that in the instances included herein incomplete documentation was provided, which is required to be complete by Ohio law.
- 4) Villa Mortgage states that it will take steps in the future to ensure that all forms, correspondence, disclosure statements, and other documentation required for disclosure in its loan files will be accurate and complete to the best of its ability.

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) Villa Mortgage and Larry Fisher acknowledge lawful service and receipt of the Notices, and stipulate 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 Villa Mortgage's certificate of registration and Larry Fisher's loan officer license, Villa Mortgage and Larry Fisher, jointly and severally, agree to pay an administrative penalty for the violations of law described herein in the amount of twenty thousand dollars (\$20,000.00). 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 and to the attention of Anthony D. Siciliano, Consumer Finance General Counsel. Said fine may be paid in a lump-sum or installments provided the full amount is received by the Division no later than one (1) year from the date the last signature is affixed below. In the event that Villa Mortgage should cease to exist as an entity before the administrative penalty is paid in full or is unable to pay for any reason, Larry Fisher and Villa Mortgage's current shareholders, namely Todd A. Kramer and Timothy J. Kramer, personally guarantee timely payment of the fine. A Guarantee executed by Todd A. Kramer and Timothy J. Kramer is attached to this Settlement and Consent Order and is incorporated herein.
- 5) Villa Mortgage also agrees that its operations manager as well as each of its current loan officers will complete ~~three~~ ^{two} hours of approved continuing education ("CE") concerning the Ohio Mortgage Broker Act before ~~January 31, 2008~~. This CE class must be pre-approved by the Deputy Superintendent for Financial Institutions and will not count towards the operations manager's and loan officers' 2007 CE requirement under R.C. 1322.052. *Modified and approved by High A. Williams, 1/25/2008*
- 6) Villa Mortgage and Larry Fisher agree that if the terms set forth in paragraphs 4 and 5 are not timely completed, this Settlement and Consent Order shall be automatically terminated, and these consolidated cases shall be set for an administrative hearing(s) on the allegations set forth in the Notices issued on May 30, 2007. *March 31, 2008*
- 7) The Division hereby agrees to approve Villa Mortgage's and Larry Fisher's 2007 renewal applications, provided there are no remaining deficiencies, and to approve Villa Mortgage's pending branch office application for the Jackson, Ohio office, provided there are no remaining deficiencies.
- 8) Villa Mortgage and Larry Fisher hereby agree to forego their administrative remedies, and waive any and all rights to an administrative hearing, as well as any right to appeal this matter or Settlement and Consent Order.
- 9) The Division hereby terminates the Notices of Intent to Revoke issued to Villa Mortgage and Larry Fisher on May 30, 2007, and agrees to forego any additional or related actions, legal or administrative, fines, fees, or other penalties arising out of or related to these matters.

- 10) 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.
- 11) 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.
- 12) 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.
- 13) Villa Mortgage and Larry Fisher release the Division, its members, employees, agents, officers and representatives jointly and severally from any and all liability arising from the within matter. Villa Mortgage and Larry Fisher shall not seek attorney fees or other costs arising from the within matter.
- 14) 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.
- 15) Villa Mortgage and Larry Fisher have been advised by the Division to seek legal counsel if they have any questions concerning the terms and/or effect of this Settlement and Consent Order.
- 16) Villa Mortgage and Larry Fisher must submit this Settlement and Consent Order completed per the terms dictated herein, no later than November 9, 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.

Leigh A. Willis
Deputy Superintendent of
Consumer Finance

11/13/07
Date

Approved and Agreed:

Villa Mortgage, Inc.

By:

Todd A. Kramer

11-5-07
Date

By:

Timothy J. Kramer

11-05-07
Date

By:

Larry Fisher

11-07-07
Date

By:

Christopher N. Slagle, Esq.
Attorney for Villa Mortgage, Inc.
and Larry Fisher

11/9/07
Date

PERSONAL GUARANTEE

THIS GUARANTEE dated this 5 day of November, 2007.

From: Todd A. Kramer of Villa Mortgage

and

Timothy J. Kramer of Villa Mortgage

(Collectively referred to as "Guarantors")

To: The State of Ohio, Department of Commerce, Division of Financial Institutions
("the Division")

Re: Villa Mortgage, Inc. ("Debtor")

The Guarantors, jointly and severally, personally guarantee the prompt, full and complete payment of any and all indebtedness due to the Division by Debtor, up to a limit of \$20,000.00, under the terms of the Settlement and Consent Order entered into in consolidated cases M2007-38 and M2007-277.

TODD A. KRAMER 11-5-07
Date

TIMOTHY J. KRAMER 11-05-07
Date

SWORN TO AND BEFORE ME, and subscribed in my presence this 5 day of
November, 2007.



HEATHER PORTER
Notary Public, State of Ohio
My Commission Expires
Jan. 3, 2008

Notary Public