

# SETTLEMENT AGREEMENT

#016081.001 (2006/2007 CE)

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"**

and

**RUSSELL B. MURPHY**

4632 W. Flintlock Way  
Herriman, Utah 84096

**Hereinafter referred to as "Applicant"**

RECEIVED  
DIVISION OF FINANCIAL  
INSTITUTIONS  
2010 DEC - 7 PM 3:14

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."). Applicant is an individual that held a loan officer license during the 2006 and 2007 calendar years. Applicant's license was cancelled on or about April 30, 2007 because he failed to renew. On or about July 12, 2010, Applicant submitted a new application for a loan originator license, which remains pending.

Applicant 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.

This Settlement Agreement contains the entire Settlement Agreement between the parties. There is no other Settlement Agreement of any kind, verbal or otherwise, on the issues considered herein, which varies the terms of the 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. 1322.10(A)(1)(a) to refuse to issue an applicant a loan originator license if DFI finds, among other things, that the applicant has failed to comply with the OMBA or the rules adopted thereunder.
- B. DFI is empowered by R.C. 1322.041 to issue an applicant a loan originator license if DFI finds, among other things, that the applicant has complied with the OMBA.

- C. R.C. 1322.052, as in effect in 2006 and 2007, required every loan officer to complete at least six (6) hours of approved continuing education every calendar year (by December 31<sup>st</sup>).
- D. Applicant held a loan officer license during the 2006 and 2007 calendar years.
- E. Applicant admits that he failed to complete the required CE credit hours for the 2006 and 2007 calendar years.
- F. Because Applicant failed to comply with R.C. 1322.052, DFI has the authority to refuse to issue Applicant a loan originator license.
- G. DFI enters into this Settlement Agreement in lieu of formal proceedings under R.C. Chapter 119 to refuse to issue Applicant a loan originator license on the basis of Applicant's admitted violations and noncompliance with the OMBA.
- H. 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 continuing with any formal disciplinary proceedings at this time, Applicant knowingly and voluntarily agrees with DFI to the following terms, conditions and limitations:

1. As penalty for the violation of law described herein, Applicant 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 "Treasurer of State," and shall be submitted to DFI with this Settlement Agreement.
2. Applicant agrees to complete six (6) hours of approved CE, which shall be applied to the 2006 calendar year CE requirement and six (6) hours of approved CE, which shall be applied to the 2007 calendar year CE requirement. Applicant agrees to submit a copy of the attendance certificate(s) for twelve (12) credit hours 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 2006 (or 2007) CE REQUIREMENT."**
3. Applicant understands and agrees that six (6) hours of CE credits earned are to be applied to Applicant's 2006 CE requirement and six (6) hours of CE credits earned are to be applied to Applicant's 2007 CE requirement; these credits cannot be applied towards the 2010 CE requirement.
4. Applicant understands and agrees that by executing this Settlement Agreement, Applicant admits that he has violated R.C. 1322.052 by failing to complete the 2006 and 2007 CE requirement of the OMBA, and that Applicant has been penalized in the form of a fine for this violation.
5. Applicant understands that for this Settlement Agreement to be considered for acceptance by DFI, Applicant 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 **November 12, 2010**. Should Applicant fully comply with every provision of this agreement, DFI agrees to

execute the same and approve Applicant's 2010 loan originator license application, provided there are no remaining deficiencies with respect to the application.

6. Should DFI discover that Applicant has provided DFI with false, fraudulent, misleading, or incomplete information pertaining to this Agreement, Applicant agrees that such evidence will firmly establish that Applicant's character and general fitness do not command the confidence of the public and warrant the belief that she will conduct business honestly and fairly in compliance with the purposes of the OMBA.
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, Applicant 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**

Applicant 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.

Applicant hereby releases DFI, its members, employees, agents, officers and representatives jointly and severally from any and all liability arising from the within matter. Applicant shall not seek attorney fees or other costs arising from the within matter.

This Settlement Agreement shall be considered a public record as that term is used in R.C. section 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 Applicant 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 Applicant: Russell Murphy

SIGNATURE of Applicant: \_\_\_\_\_ 12-2-10  
Date

Carolyn L. Bradford  
CAROLYN L. BRADFORD  
Superintendent  
Ohio Division of Financial Institutions

Date

Anthony D. Siciliano  
ANTHONY D. SICILIANO  
Consumer Finance General Counsel  
Ohio Division of Financial Institution

12-9-10  
Date

# Advanced Education

S Y S T E M S LLC

## *Certificate Of Completion*

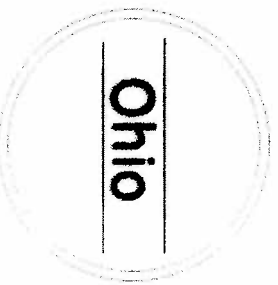
This will certify that **Russell Murphy of Flagship Financial Group** has taken and completed our program of studies for six (6) hours of Ohio Continuing Education for the course entitled, **Enrich Your Business, Elevate the Industry: Profit from Ethical Mortgage Practice.**

This course covers the following topics:


Ethical Principles and Practices - 2 Hours  
Predatory Lending Practices in the Subprime Market - 2 Hours  
Privacy in Mortgage Lending - 2 Hours

The Provider and above courses are approved by the State of Ohio Department of Commerce Division of Financial Institutions and satisfies the continuing education requirements for mortgage professionals under the Ohio Mortgage Broker Act.

*Please Apply to 2006 CE Requirement*



Issue Date: 11/18/2010  
Authentication Number: 1000DO111222010UD143351CCD800

  
**Christopher Nickerson**  
Chief Executive Officer

# Advanced Education

S Y S T E M S INC.

## *Certificate Of Completion*

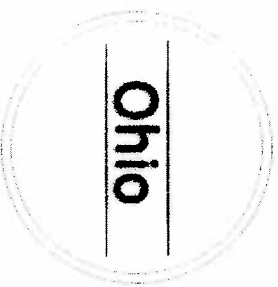
This will certify that **Russell Murphy of Flagship Financial Group** has taken and completed our program of studies for six (6) hours of Ohio Continuing Education for the course entitled, Building Mortgage Credibility for Lasting Success.

This course covers the following topics:

Ethical Standards in Mortgage Lending - 2 Hours  
Complying with Fair Lending Laws - 2 Hours  
Privacy Laws Applicable to Mortgage Lending Transactions - 2 Hours

The Provider and above courses are approved by the State of Ohio Department of Commerce Division of Financial Institutions and satisfies the continuing education requirements for mortgage professionals under the Ohio Mortgage Broker Act.

*Please Apply to 2007 CE Requirement*



Issue Date: 11/16/2010

Authentication Number: 1000DO111222010UD143351CCD1553

A handwritten signature in black ink, appearing to read "Chris Nickerson".

**Christopher Nickerson**  
Chief Executive Officer