

SETTLEMENT AGREEMENT

803102

by and between

THE OHIO DEPARTMENT OF COMMERCE
DIVISION OF FINANCIAL INSTITUTIONS

Consumer Finance Section

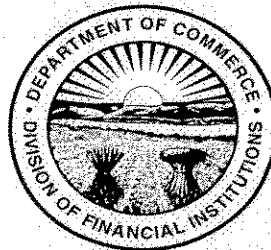
77 South High Street, 21st Floor
Columbus, OH 43215-6120

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THE PROPERTY GROUP
dba – Bluestar Mortgage Services
7100 Muirfield Drive, Suite 110
Dublin, Ohio 43017

RECEIVED
DIVISION OF FINANCIAL
INSTITUTIONS
2006 JUL 14 PM 3:35

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.



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 no later than APRIL 10, 2006:

- ☐ All pages of this Settlement Agreement, including this cover page, must remain attached.
- ☐ The operations manager must complete six (6) hours of approved CE, and the attendance certificate(s) must be returned with the Settlement Agreement.
- ☐ A cashier's check or money order in the amount of \$2,000.00, made payable to DFI Consumer Finance, must be enclosed. NO OTHER METHOD OF PAYMENT WILL BE ACCEPTED.
- ☐ 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.

SETTLEMENT AGREEMENT

803102

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, 21st Floor
Columbus, OH 43215-6120

Hereinafter referred to as "DFI."

&

THE PROPERTY GROUP
dba Bluestar Mortgage Services
7100 Muirfield Drive – Suite 110
Dublin, Ohio 43017

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2005 JUN 14 PM 3:35

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 a company that holds a certificate of registration issued by DFI to engage in business as a mortgage broker pursuant to R.C. Chapter 1322. On April 29, 2005, DFI received an application to renew Respondent's mortgage broker certificate of registration. DFI has not made its final determination with respect to the renewal of Respondent's certificate of registration. That application remains pending due to child support issues of its sole shareholder. Further, Respondent's operations manager did not take at least six (6) hours of continuing education as mandated by R.C. 1322.052 for the 2005 calendar year.

Respondent voluntarily enters into this Settlement Agreement being fully informed of its right to representation by counsel, and its right to reject this Settlement Agreement, and said rejection may result in proceedings, pursuant to R.C. Chapter 119, being initiated 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 authorized by R.C. 1322.10(A)(1)(a) to refuse to renew a registrant's mortgage broker certificate of registration if DFI finds that the registrant 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[.]"
- B. In order to renew a mortgage broker certificate of registration, DFI must find that the applicant's "financial responsibility, experience, 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 law." (See R.C. 1322.04(B)(3) and 1322.04(A)(10).)
- C. Respondent agrees that the failure of its sole shareholder to pay his child support obligation during the 2005 calendar year shows that its financial responsibility, experience, character, and general fitness would not command the confidence of the public and that failure to meet this prerequisite for renewal is grounds for the denial of the renewal of Respondent's mortgage broker certificate of registration.
- D. R.C. 1322.052 requires every operations manager to complete at least six (6) hours of approved continuing education (CE) every calendar year.
- E. Respondent admits that it failed to comply with the CE requirement of R.C. 1322.052 for the 2005 calendar year. Respondent has chosen to remedy this violation of the OMBA in conjunction with the issues outlined in paragraph C.
- F. DFI enters into this Settlement Agreement in lieu of initiating formal proceedings under R.C. Chapter 119 to not renew Respondent's mortgage broker certificate of registration on the basis of Respondent's failure to meet a prerequisite for renewal as outlined in paragraph C.
- 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 continuation formal disciplinary proceedings at this time, Respondent knowingly and voluntarily agrees with DFI to the following terms, conditions and limitations:

1. 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.
2. Respondent understands and agrees that by executing this Settlement Agreement, Respondent admits that it does not meet the criteria for renewal of its mortgage broker certificate of registration as outlined in R.C. 1322.04(B)(3) and 1322.04(A)(10).
3. 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 6 pages attached, must be received in the offices of DFI on or before April 10, 2006.
4. As penalty for Respondent's non-compliance with R.C. 1322.052, Respondent agrees to pay a fine of two thousand dollars (\$2000.00). 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.
5. Prior to submitting the Settlement Agreement, the person designated as Respondent's operations manager must have completed six (6) hours of approved CE. Copies of the attendance certificate(s) must be submitted with this Settlement Agreement. Respondent further agrees to write in RED INK on the face of the attendance certificate(s) submitted: "PLEASE APPLY TO 2005 CE REQUIREMENT."
6. Respondent understands and agrees that the CE credits earned and submitted as part of this Settlement Agreement are to be applied only to Respondent's 2005 CE requirement; these credits cannot be applied to Respondent's 2006 CE requirement, which must be completed by December 31, 2006.
7. In light of the fact that the sole shareholder of Respondent proved to the Division that he had in fact made a payment of \$12,000.00 to his child support obligation, if Respondent properly files this Agreement and fully complies with every provision, DFI agrees to execute the same and issue a mortgage broker certificate of registration to Respondent that will expire on April 30, 2006.
8. Respondent's sole shareholder, Lee V. Partee, shall provide to the Division, no later than the 15th day of every month starting in April 2006, evidence from the Ohio Department of Job and Family Services that he has paid his full, court-ordered, monthly child support obligation. Respondent's sole shareholder shall submit this evidence to the Division's address on page 1 of this Agreement and put it to the attention of Mark L. Rhea. The last time the

Respondent's sole shareholder will have to submit evidence of payment of his child support obligation shall be April 2007. If Respondent's sole shareholder fails to comply with this paragraph, the Respondent agrees that this is grounds to deny any future renewal of Respondent's mortgage broker certificate of registration or revoke it.

9. 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 mortgage broker certificate of registration.
10. 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 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.

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

LEE V. PARTER

7/13/06

Date

SIGNATURE of authorized signor #1:

[Signature]

7/13/06

Date

PRINTED Name of authorized signor #2:

Date

SIGNATURE of authorized signor #2:

Date

[Signature] 8/10/06
ROBERT M. GRIESER DATE
Deputy Superintendent for Consumer Finance
Ohio Division of Financial Institutions

[Signature] 8/18/2006
MARK L. RHEA DATE
Consumer Finance Staff Attorney
Ohio Division of Financial Institutions

Advanced Education

S Y S T E M S

Certificate Of Completion

This will certify that **Lee V. Partee of The Property Group, Inc. dba BlueStar Mortgage Services** has taken and completed our program of studies for six (6) hours of Ohio Continuing Education the course entitled:

Ohio Continuing Education Course

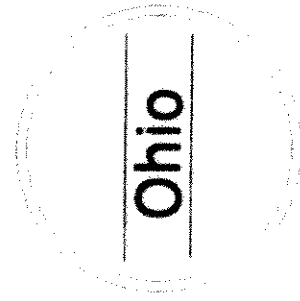
This course covers the following topics:

Real Estate Settlement Procedures Act (RESPA) - 2 hrs

Truth In Lending Act (TILA) - 2 hrs

Equal Credit Opportunity Act and Fair Housing Act (ECOA and FHA) - 2 hrs

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.



TO BE USED FOR O.S. R.P.
REQUIREMENT

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

Issue Date: 4/14/2006
Authentication Number: 1000DO14252006UD77271CCD243

Christopher Nickerson
Chief Executive Officer