



Department of Commerce

Division of Financial Institutions

Ted Strickland, Governor
Kimberly A. Zurz, Director

In the matter of:

2010 APR -9 PM 2:31 Case No. M2010-115

NICHOLAS A. HUNTER
2901 Utopia Place
Cincinnati, Ohio 45208

**SETTLEMENT AND
CONSENT ORDER**

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, Nicholas A. Hunter ("Respondent") is an individual who holds a loan officer license (LO.021527) issued by the Division to originate residential mortgage loans pursuant to R.C. Chapter 1322. The Respondent's address of record is 2901 Utopia Place, Cincinnati, Ohio 45208, his date of birth is February 10, 1982. Respondent's employer of record is Star Point Mortgage, Inc., 3930 Edwards Road, Cincinnati, Ohio 45209; and

WHEREAS, on March 11, 2010, the Division sent via certified mail a Notice of Intent to Refuse to Renew Loan Officer License, Notice of Intent to Impose Fine and Notice of Opportunity for a Hearing ("the Notice") to Respondent at his home address of record. Service of the Notice was perfected; and

WHEREAS, the Notice contained allegations and findings that:

- A. The Division is authorized by R.C. 1322.10(A)(1)(a) to refuse to renew a loan officer license if the Division finds that the 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 or license."
- B. The Division is authorized by R.C. 1322.10(A)(2) to "[i]mpose of fine of not more than one thousand dollars, for each day a violation of law or rule is committed, repeated or continued. If the registrant or licensee engages in a pattern of repeated violations of law or rule, the Division may impose a fine of not more than two thousand dollars for each day the violation is committed, repeated, or continued."
- C. R.C. 1322.07(F) prohibits any licensee from instructing, soliciting, proposing, or otherwise causing a buyer to sign in blank a mortgage related document.
- D. R.C. 1322.07(C) prohibits any licensee from engaging in conduct that constitutes improper, fraudulent or dishonest dealings.
- E. R.C. 1322.072 prohibits persons from knowingly circumventing, interfering with, obstructing, or failing to cooperate, including making a false or misleading statement, failing to produce records, or intimidating or suborning any witness and tampering with, altering or manufacturing any evidence in connection with any

examination or investigation conducted by the superintendent of financial institutions under sections 1322.01 to 1322.12 of the Revised Code.

- F. Pursuant to R.C. 1322.06(A), the Division conducted an examination of Star Point Mortgage on July 6-7, 2009. During the course of this examination, the Division examiner found that one of Respondent's buyers/consumers (Maham) had signed mortgage related documents, specifically the Mortgage Loan Origination Disclosure Statement (MLODs), in blank.
- G. Following the Division's July 2009 Examination, on September 16, 2009, the Division sent a subpoena to Star Point Mortgage requesting the individual buyer and HUD files for the Mahams and six other consumers.
- H. When the Division received the response to the subpoena, the MLODs signed in blank by the Mahams had been filled out including the signature of Respondent.
- I. On or about January 28, 2010, Star Point Mortgage's operations manager, Mark Jordan, explained to the Division that after a loan closes, his processor checks the files and fills in any missing information.
- J. The documents obtained during the July 2009 examination and submitted by Star Point Mortgage under September 2009 subpoena indicate that the Maham mortgage loan was originated in December of 2008 and was closed in December of 2008.

As a result of the findings listed above, the Division has determined that:

- 1. Respondent's actions as alleged herein constitute violations of R.C. 1322.07(C).
- 2. Respondent's actions as alleged herein constitute violations of R.C. 1322.07(F).
- 3. Respondent's actions as alleged herein constitute violations of R.C. 1322.072.
- 4. Because Respondent violated or failed to comply with R.C. sections 1322.07(C), 1322.07(F) and 1322.072, the Division is authorized under R.C. 1322.10(A)(1)(a) to refuse renewal of Respondent's loan officer license.
- 5. Because Respondent violated or failed to comply with R.C. sections 1322.07(C), 1322.07(F) and 1322.072, the Division is authorized under R.C. 1322.10(A)(2) to impose a fine upon Respondent.
- 6. A fine in the amount of two thousand five hundred dollars (\$2,500.00) is reasonable, appropriate, and necessary.

WHEREAS, Respondent admits to the allegations and findings set forth above, but to avoid the cost and uncertainty of litigation agrees to enter into this Consent Order for purposes of settlement.

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 foregoing recitals.
2. This Settlement and Consent Order represents a compromise between the parties for the full, complete, and final settlement of all of their claims, differences, and causes of action with respect to the allegations contained in the Notice.
3. The parties agree that the terms of this Settlement and Consent Order bind the parties hereto, and their successors in interest.
4. The parties agree that Respondent shall pay the Division Two Thousand Five Hundred Dollars (\$2,500.00) as a fine as set forth in this Settlement and Consent Order. In the future, Respondent shall comply with the provisions of Chapter 1322 and the rules adopted thereunder.
5. In addition, Respondent has offered to reimburse the fees not disclosed on the MLOD to the consumers. Respondent's offer of reimbursement of fees shall be implemented by delivering to the Division a cashier's check made payable to the Mahams in the amount of Two Thousand One Hundred Seventeen Dollars (\$2,117.00) along with this Settlement and Consent Order.
6. The Division shall terminate its Notice of Intent to Refuse to Renew Loan Officer License, Notice of Intent to Impose Fine and Notice of Opportunity of Hearing issued March 11, 2010, and agrees that it shall not, as long as Respondent is in compliance with this Settlement and Consent Order, pursue the matters set forth the Notice through its administrative process. The Division agrees that it will not initiate or pursue criminal or additional civil liability in any venue as a result of the conduct of Respondent as cited in the allegations and findings. Nothing, however, in this Order shall be deemed to prevent the Division from taking action to enforce any breach of this Order or to prevent the Division or its employees, agents, or assigns 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.
7. Should the Division discover that Respondent has provided any false, fraudulent, misleading, or incomplete information or statement(s) pertaining to his involvement in the allegations contained in the Notice and this Settlement and Consent Order, 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 he will conduct business honestly and fairly in compliance with the purposes of the Ohio Mortgage Broker Act
8. Nothing in this Settlement and Consent Order shall be deemed an admission of guilt or liability, or agreement with the allegations set forth in the Notice on the part of Respondent.
9. Respondent acknowledges lawful service and receipt of the Notice, and stipulates to the jurisdiction of the Division in this matter.
10. This Settlement and Consent Order shall be effective on the date it is signed by the Superintendent of the Division of Financial Institutions or his designee 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.

For purposes of effecting this Settlement and Consent Order, it is hereby ORDERED and DECREED that:

- A. The parties to this Settlement and Consent Order shall abide by the terms of this Order as agreed.
- B. Respondent shall pay a Two Thousand Five Hundred Dollar (\$2,500.00) fine to the Consumer Finance Fund pursuant to R.C. § 1322.21. Payment shall be made by certified check or money order made payable to the "Treasurer of State" and delivered to the Division's counsel along with this Settlement and Consent Order no later than 10:00 a.m. on May 14, 2010.
- C. The Notice of Intent to Refuse to Renew Loan Officer License, Notice of Intent to Impose Fine and Notice of Opportunity of Hearing issued March 11, 2010 to the Respondent is hereby terminated. Nothing shall prevent the Division, in the future, from taking any administrative or other action against Respondent for matters not addressed in this order.

Approved and Agreed:

NICHOLAS A. HUNTER
Respondent

4-5-10
Date

LEIGH A. WILLIS
Deputy Superintendent for Consumer Finance

4/12/10
Date