

SETTLEMENT AGREEMENT

#MB.801058-2005CE

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"

and

**RICHARD L. HUGHES
dba UNITY FINANCIAL SERVICES**

10540 Unity Road
New Middletown, OH 44442

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 sole proprietor that held a mortgage broker certificate of registration ("Registration") during the 2005 calendar year. The licensure period ended on April 30, 2006, and Respondent filed an application to renew his Registration, which remains pending. A Notice of Intent to Deny Respondent's Renewal Application and Notice of Opportunity for Hearing was issued by DFI on January 31, 2007. Respondent filed a timely hearing request. A hearing was scheduled for March 21, 2007 and has been continued pending timely completion of this Settlement Agreement.

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.

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. 1322.04 to renew an applicant's Registration if DFI finds, among other things, that the applicant has complied with R.C. sections 1322.01 to 1322.12.
- B. R.C. 1322.052 requires each person designated under R.C. 1322.03(A)(3)—the operations manager—to complete at least six (6) hours of approved continuing education every calendar year (by December 31st).
- C. Respondent held a Registration during the 2005 calendar year.

- D. Respondent admits that he is the mortgage broker's operations manager and that he failed to complete the required CE credit hours for the 2005 calendar year.
- E. Because Respondent failed to comply with R.C. 1322.052, DFI has the authority to deny Respondent's renewal application.
- F. DFI enters into this Settlement Agreement in lieu of formal proceedings under R.C. Chapter 119 to deny Respondent's 2006 renewal application on the basis of Respondent's admitted violations and 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 continuing with 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 violation of law described herein, Respondent agrees to pay a fine of five hundred dollars (\$500.00). 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 Assistant Attorney General Ted Klecker with this Settlement Agreement.
2. Respondent agrees to complete six (6) hours of approved CE, which shall be applied toward the 2005 calendar year CE requirement. 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 2005 CE REQUIREMENT."**
3. Respondent understands and agrees that the six (6) hours of CE credits earned are to be applied only to Respondent's 2005 CE requirement; these credits cannot be applied to Respondent's 2007 CE requirement, which must be completed by December 31, 2007.
4. Respondent understands and agrees that by executing this Settlement Agreement, Respondent admits that he has violated R.C. 1322.052 by failing to complete the 2005 CE requirements of the OMBA and 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 by AAG Ted Klecker on or before **May 11, 2007**. Should Respondent fully comply with every provision of this Agreement, DFI agrees to execute the same, terminate the Notice of Intent to Deny, and approve Respondent's 2006 renewal application. Should Respondent fail to comply, an administrative hearing will be held on this matter on May 21, 2007.
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 he 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, 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. 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 ORIGINAL, signed Agreement with all pages attached must be returned.
Keep a copy for your records.**

PRINTED Name of Respondent:

Richard L. Hughes
Richard L. Hughes

SIGNATURE of Respondent:

[Signature]

4-16-07
Date

[Signature]
RICHARD F. KECK

Acting Deputy Superintendent for Consumer Finance
Ohio Division of Financial Institutions

4/24/07
Date

[Signature]
ANTHONY D. SICILIANO

Consumer Finance General Counsel
Ohio Division of Financial Institutions

4/24/07
Date

Advanced Education

S Y S T E M S

Certificate Of Completion

This will certify that **Richard L. Hughes** has taken and completed our program of studies for six (6) hours of Ohio Continuing Education the courses entitled:

Applying the Real Estate Settlement Procedures Act to Mortgage Lending - 2 hours
Complying with the Federal Truth in Lending Act - 2 hours
Equal Opportunity and Fair Credit 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 CE REQUIREMENT.
2005

Issue Date: 4/10/2007

Authentication Number: 1000DO14162007UD103621CCD774



Christopher Nickerson
Chief Executive Officer