STATE OF OHIO DEPARTMENT OF COMMERCE DIVISION OF FINANCIAL INSTITUTIONS 77 South High Street, 21st Floor Columbus, Ohio 43215-6120

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) Case No. 07-0083MBS	and the second s
Mortgage Lenders Network)	6. ±
USA, Inc.) SETTLEMENT AND	e de la companya de l
213 Court Street, 11th Floor) CONSENT ORDER	
Middletown CT 06457)	
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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, Mortgage Lenders Network USA, Inc. ("Respondent") is a foreign corporation registered to conduct business in Ohio and holds an active mortgage broker certificate of registration issued by the Division pursuant to R.C. 1322. The business address of record for Respondent's main office is 213 Court Street, 11th Floor, Middletown, CT 06457. Respondent operated under the mortgage broker certificate of registration number MB 3791. In addition, Respondent operated four other branch offices authorized to conduct mortgage broker business in Ohio; and

WHEREAS, on February 5, 2007, the Respondent filed for reorganization under Chapter 11 of the bankruptcy laws with the United States Bankruptcy Court for the District of Delaware and voluntarily ceased its Ohio mortgage broker operations prior to the cancellation of its bond on February 26, 2007; and

WHEREAS, on February 28, 2007, the Division sent via certified mail a Notice to Cease & Desist and Intent to Suspend Mortgage Broker Certificates of Registration and Notice of Opportunity for a Hearing ("the Notice") to Mortgage Lenders Network USA, Inc. to its main office business address; and

WHEREAS, the Notice contained allegations that:

1. According to R.C. 1322.05(A): "No registrant shall conduct business in this state, unless the registrant has obtained and maintains in effect at all times a corporate surety bond issued by a bonding company or insurance company authorized to do business in this state. The bond shall be in favor of the superintendent of financial institutions and in the penal sum of at least fifty thousand dollars and an

additional penal sum of ten thousand dollars for each location, in excess of one, at which the registrant conducts business. The term of the bond shall coincide with the term of registration."

- 2. The bond coinciding with its May 1, 2006 to April 30, 2007 term of registration for the Respondent issued by the Travelers Casualty and Surety Company of America in accordance with the requirements of R.C. 1322.05(A) was cancelled on February 26, 2007.
- 3. Respondent's failure to maintain a bond puts it in violation of R.C. 1322.05 and makes it unable to continue to operate as a mortgage broker in the State of Ohio.

WHEREAS, Mortgage Lenders Network USA, Inc. agrees, subject to the approval of the Bankruptcy Court, to voluntarily enter into this Settlement and Consent Order without admitting or denying any wrongdoing or violation of Chapter 1322.

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 owners, shareholders, partners, members, assigns, and successors in interest.
- 4) The Division hereby terminates the Notice to Cease & Desist and Intent to Suspend the Mortgage Broker Certificates of Registration and Notice of Opportunity for a Hearing issued February 28, 2007, and agrees that it shall not, as long as Respondent is in compliance with this Settlement and Consent Order, pursue the matters set forth in such Notice through its administrative process. Nothing, however, in this order shall be deemed 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 in the Notice. Further, nothing, herein shall be construed as a waiver by the Respondent of its rights with respect to any such action or order.
- 5) Respondent acknowledges lawful service and receipt of the Notice, and stipulates to the jurisdiction of the Division in this matter.

- 6) The Respondent hereby agrees to forego its administrative remedies, and waive any and all rights to an administrative hearing, as well as any right to appeal this matter or order.
- 7) The Respondent hereby agrees to cease operations and consents to the suspension of its mortgage broker certificates of registration to conduct mortgage broker business in Ohio until such time as it provides proof of a proper bond acceptable to the Division, which bond is in accordance with the requirements of R.C. 1322.05.
- 8) The fully executed Settlement and Consent Order shall become effective upon approval by the Bankruptcy Court.
- 9) 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, in accordance with the terms provided herein, cease its conduct of mortgage broker business in Ohio until such time as the Respondent provides proof of a proper bond acceptable to the Division, which bond is in accordance with the requirements of R.C. 1322.05.
- C. Respondent's certificates of registration to conduct mortgage broker business in Ohio are hereby suspended as agreed until such time as Respondent provides proof of a proper bond acceptable to the Division, which bond is in accordance with the requirements of R.C. 1322.05.

The Respondent understands that any breach of this Settlement and Consent Order may result in the reinstitution of administrative proceedings, including suspension or revocation, the imposition of fines and any other remedy available to the Division. In the event of any reinstitution of administrative proceedings, or in the event that the Bankruptcy Court fails to approve this Settlement and Consent Order, nothing herein shall be construed as a waiver by Respondent of its right to pursue administrative remedies, including any and all rights to an administrative hearing, as well as any and all rights to appeal such administrative proceedings.



Date

Richard F. Keck Acting Deputy Superintendent of Consumer Finance

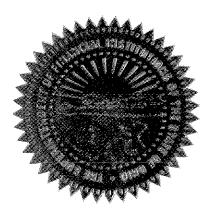
Approved and Agreed

Mortgage Lenders Network USA, Inc.

Norman H. Roos, Partner
Thelen Reid Brown Raysman

& Steiner LLP

Its: Special Regulatory Counsel



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