

SETTLEMENT AGREEMENT

MB# 803629 (2009 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, 21st Floor
Columbus, OH 43215-6120

Hereinafter referred to as "DFI"

and

**PROSPECT MORTGAGE, LLC OF DELAWARE DBA
OPPENHEIMER MORTGAGE**

15301 Ventura Blvd., Suite D-300
Sherman Oaks, CA 91403

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 an Ohio foreign registered entity that held a certificate of registration issued by DFI to engage in business as a mortgage broker pursuant to R.C. Chapter 1322 during the 2009 calendar year.

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.

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 renew a certificate of registration if the registrant has failed to comply with the OMBA.
- B. DFI is empowered by R.C. 1322.04 to renew a registrant's certificate of registration if DFI finds, among other things, that the applicant has complied with the OMBA.

2010 AUG 16 PM 3:27

- C. R.C. 1322.052, as in effect in 2009, required every registrant, through its operations manager, to complete at least six (6) hours of approved continuing education every calendar year (by December 31st).
- D. Respondent held a certificate of registration during calendar year 2009.
- E. Respondent admits that its operations manager failed to complete the required CE credit hours for the 2009 calendar year.
- F. Because Respondent failed to comply with R.C. 1322.052, DFI has the authority to refuse to renew Respondent's certificate of registration.
- G. DFI enters into this Settlement Agreement in lieu of formal proceedings under R.C. 1322.10(A)(1)(a) and R.C. Chapter 119 to refuse to renew Respondent's certificate of registration on the basis of Respondent'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, 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 "Treasurer of State" and shall be submitted to DFI with this Settlement Agreement.
2. Respondent's operations manager has completed six (6) hours of approved CE, which shall be applied toward the 2009 calendar year CE requirement. Respondent or its operations manager shall submit a copy of the attendance certificate(s) issued by the CE Provider and designate in **RED INK on the face of a copy of the attendance certificate(s) "PLEASE APPLY TO 2009 CE REQUIREMENT."**
3. Respondent understands and agrees that the six (6) hours of CE credits earned are to be applied only to Respondent's 2009 CE requirement; these credits cannot be applied to Respondent's 2010 CE requirement, which must be completed by December 31, 2010.
4. Respondent understands and agrees that by executing this Settlement Agreement, Respondent admits that it has violated R.C. 1322.052 by failing to complete the 2009 CE requirement of the OMBA, and that Respondent 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 in the offices of DFI on or before **August 16, 2010**. Should Respondent fully comply with every provision of this Agreement, DFI agrees to execute the same and agrees that Respondent's certificate of registration shall be renewed pursuant to R.C. 1322.04 provided there are no remaining deficiencies with respect to the application.
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 it will conduct business honestly and fairly in compliance with the purposes of the OMBA.
7. Respondent understands and agrees that this 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.
8. 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. 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 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 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 and Title of Authorized Signor #1: _____

SIGNATURE of Authorized Signor #1: Mark Filler, Executive Chairman 8/13/2010
of member LLC Date

PRINTED Name and Title of Authorized Signor #2: _____

SIGNATURE of Authorized Signor #2: _____

LEIGH A. WILLIS Date 8/17/10
Deputy Superintendent for Consumer Finance
Ohio Division of Financial Institutions

DESIREE T. SHANNON Date 8-17-10
Consumer Finance Attorney
Ohio Division of Financial Institutions

Please apply

Advanced Education

SYSTEMS

to 2009 CE
Requirement

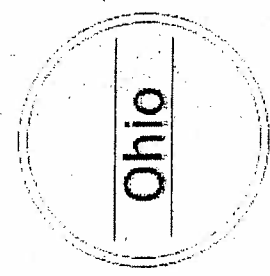
Certificate Of Completion

This will certify that Pamela C. Sullivan of Prospect Mortgage Company, LLC 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.



Issue Date: 3/16/2010
License Number: OM1.034675.000
Authentication Number: 100DDOI3162010UD125593CCD1553

Christopher Nickerson
Chief Executive Officer