

STATE OF OHIO
DEPARTMENT OF COMMERCE
Division of Financial Institutions
Consumer Finance

In the matter of:

MONEY LENDERS, LLC
1517 State Route 28 - Suite F
Loveland, OH 45140

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Case No. M2009-524

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 Loan Act, codified at Ohio Revised Code ("R.C.") §§ 1321.51 to 1321.60; and

WHEREAS, Money Lenders, LLC ("Respondent") is an Ohio limited liability company which is registered with the Division to conduct business under the Ohio Mortgage Loan Act pursuant to R.C. § 1321.52. The business address of record for Respondent's main office is 1517 State Route 28, Suite F, Loveland, Ohio 45140. The Respondent operates under the certificate of registration of SM.501621; and

WHEREAS, on May 8, 2009, the Division sent via certified mail a Notice of Violation ("the Notice") to Respondent. to its main office business address; and

WHEREAS, the Notice contained allegations and findings that:

1. The Respondent has made a business practice of issuing its loan proceeds in the form of a check or money order for which it then charges the borrower a fee to cash. This fee is improper and in violation of R.C. 1321.57(H)(1), which limits the permissible fees that can be "charged or received" by an OMLA registrant.
2. The business of cashing one's own loan proceeds check, whether written on the Respondent's own account, as a certified check, or as a money order, is not an other business permissible pursuant to R.C. 1321.51(H)(2), but rather is part of the underlying loan transaction.
3. The Respondent by charging a fee under the auspices of its check cashing license to cash the loan proceeds check provided to its OMLA customers at the same location where the loan is made, is in the alternative to paragraph 2 above, conducting another business that tends to conceal an evasion of the OMLA, sections R.C. 1321.51 to 1321.60.
4. The Respondent has not been properly maintaining the required chronological file of loan statements in violation of R.C. 1321.55(A) and OAC 1301:8-3-04(A)(1).

5. The Respondent's ledger record fails to disclose the federal annual percentage rate in violation of R.C. 1321.55(A) and OAC 1301:8-3-04(A)(2).
6. The Respondent overcharged borrowers by failing to re-calculate the interest due on loans when such loans are paid prior to the due date in violation of R.C. 1321.57(C)(1)(a).
7. The Respondent has made a business practice of collecting checks that do not equal the total of payments due as set forth in the consumer loan agreement. By having agreements with consumers that are not entirely consistent with the terms of the consumer loan agreement, Respondent has violated OAC 1301-8-3-12(A).

WHEREAS, Respondent admits the allegations in paragraphs 4 through 7 above, but avers that it was the result of error and not intent, and further that it has rectified its practices so as to conform to the requirements of the OMLA and its rules. However, Respondent denies the allegations in Paragraphs 1 through 3 above, but to avoid the cost and uncertainty of litigation Respondent 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:

- A. The parties acknowledge and agree to the accuracy of the foregoing recitals, with the exception that Respondent disagrees with the legal conclusions and statutory interpretation of the Division in Paragraphs 1 through 3 above.
- B. 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.
- C. The parties agree that the terms of this Settlement and Consent Order bind the parties hereto, and their shareholders, partners, members, assigns, and successors in interest.
- D. The Division hereby terminates the Notice of Violation issued May 8, 2009, 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, including any pending licensing application. 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.
- E. Respondent acknowledges lawful service and receipt of the Notice, and stipulates to the jurisdiction of the Division in this matter.

- F. Respondent agrees to the reimbursement of its customers and terms of their payment as set forth in this Settlement and Consent Order.
- G. 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.
- H. The Division and Respondent acknowledge and agree that any reimbursement to consumers made in settlement of this matter is not an admission that any overcharge under its OMLA certificate of registration was willful.
- I. The Division and Respondent acknowledge and agree that nothing herein prevents the latter from issuing its loan proceeds as a check, certified check, or money order, but it shall cease and desist from charging to cash such loan proceed instruments at its OMLA lending offices, unless the borrower was originally provided the option to have the proceeds in cash.
- J. This Settlement and Consent Order shall be effective on the date it is signed by or on behalf of the Superintendent of the Division of Financial Institutions and on such date it will become a final order.
- K. 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:

- I. The parties to this Settlement and Consent Order shall abide by the terms of this order as agreed.
- II. The Respondent agrees to voluntarily cease and desist from charging its OMLA borrowers a fee to cash loan proceeds checks or money orders that Respondent provides in connection with its own loan transactions. However, the Respondent and the Division agree that this Part II of this Settlement and Consent Order shall be terminated (and that Respondent shall be permitted to charge borrowers a fee to cash loan proceeds checks or money orders that Respondent provides in connection with its own loan proceeds) in the event that any administrative body in Ohio having authority to bind the Division or court of law in a case in which the Division is a party holds that the Division's interpretation of the Ohio Revised Code as stated in Paragraphs 1 through 3 above is invalid and the decision is not appealed or is adopted by the Division. The Respondent shall otherwise conform its practices in the future to all requirements of state law.

- III. The Respondent shall within one month of the entry of this Settlement and Consent Order seek to contact and reimburse all consumer borrowers who made partial or full prepayments of their OMLA loans, but whose loans were not re-calculated to reflect the reduction in the amount of interest due.
- IV. The Respondent understands that any breach of this Settlement and Consent Order may result in the institution of further administrative proceedings, including suspension or revocation, the imposition of additional fines and any other remedy available to the Division.

LEIGH A. WILLIS

Deputy Superintendent for Consumer Finance
Division of Financial Institutions

Date

APPROVED AND AGREED:

Money Lenders, LLC

By: _____

Title: _____

Date