

# RENEWAL AGREEMENT

**# 802374**

This Settlement Agreement is entered into by and between:

**OHIO DEPARTMENT OF COMMERCE  
DIVISION OF FINANCIAL INSTITUTIONS**

Consumer Finance Section  
77 South High Street, 21<sup>st</sup> Floor  
Columbus, OH 43215-6120

**Hereinafter referred to as "DFI"**

and

**MANHATTAN MORTGAGE GROUP, LTD.**

6833 Clark State Road  
Blacklick, OH 43004

**Hereinafter referred to as "Manhattan"**

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.").

Manhattan is a limited liability corporation that has applied to DFI to renew its mortgage broker certificate of registration in order to be legally authorized to originate residential mortgage loans pursuant to R.C. Chapter 1322.

DFI and Manhattan voluntarily enter into this Renewal Agreement.

## **FACTUAL STIPULATIONS**

This Renewal 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)(b) to refuse to renew a mortgage broker certificate of registration in the event of the following:
- (1) A violation of or failure to comply with any provision of Sections 1322.01 to 1322.12 of the Revised Code;
  - (2) A violation of or failure to comply with rules adopted pursuant to Sections 1322.01 to 1322.12 of the Revised Code;
  - (3) A violation of any other law applicable to the business conducted under a certificate of registration, and;

- (4) A conviction of or guilty plea to any criminal offense involving theft, receiving stolen property, embezzlement, forgery, fraud, passing bad checks, money laundering, drug trafficking, or any criminal offense involving money or securities.
- B. DFI is empowered by R.C. 1322.04(B)(3) to renew a certificate of registration of an applicant if the superintendent finds that all of the following conditions have been met:
  - (1) An appropriate renewal application fee, if required, has been paid;
  - (2) The applicant's operations manager has at least six hours of continuing education as required by Section 1322.052 of the Revised Code;
  - (3) The applicant has met the conditions set forth in R.C. 1322.04 (A)(2) – (10), which include the following requirements:
    - a) The applicant has obtained proper zoning;
    - b) The applicant's operations manager meets the experience requirements provided in R.C. 1322.03(A)(4) and has successfully completed the examination required by R.C. 1322.051(A);
    - c) The applicant has obtained and maintained all licenses and registrations;
    - d) The applicant has complied with the surety bond requirements set forth in R.C. 1322.05;
    - e) In the event an applicant's employee has pleaded guilty to or has been convicted of any criminal offense described in R.C. 1322.03(A)(7), "the applicant has proven... by a preponderance of the evidence... that the applicant or other person is honest, truthful, and of good reputation, and there is no basis in fact for believing that the applicant or other person will commit such an offense again[;]" and
    - f) The applicant's financial responsibility, experience, character, and general fitness command the confidence of the public and warrant the belief that the business will be operated honestly and fairly in compliance with the purposes of Sections 1322.01 to 1322.12 of the Revised Code.
- C. Manhattan submitted an application to renew its mortgage broker certificate of registration on March 29, 2006; that application remains pending.
- D. Manhattan receives third party services from Corporate Consulting and Resourcing Services, Ltd ("Corporate Consulting"). Ms. Angela Robinson is the owner, member and sole employee of Corporate Consulting. Ms. Robinson is a former employee of Manhattan. Ms. Robinson does not presently, and did not previously, hold a mortgage loan officer license. Neither Corporate Consulting nor Ms. Robinson perform functions

for Manhattan which would require an active mortgage loan officer license. The “third party services” provided by Corporate Consulting and Ms. Robinson are beyond the regulatory purview of DFI.

- E. DFI enters into this Settlement Agreement in regard to the renewal of Manhattan’s certificate of registration, while reserving 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 Renewal Agreement.

### **AGREED CONDITIONS**

Wherefore, in consideration of the foregoing and mutual promises hereinafter set forth, Manhattan knowingly and voluntarily agrees with DFI to the following terms, conditions and limitations:

1. If Manhattan properly files this Renewal Agreement and fully complies with all provisions stated herein, DFI agrees to execute the same, to approve Manhattan’s renewal application for the period ending April 30, 2007.
2. Manhattan understands and agrees that the submission of false or misleading information in regard to the Factual Stipulations set forth above shall constitute substantial evidence that its character and general fitness do not command the confidence of the public and warrant the belief that the business will be operated honestly and fairly in compliance with the purposes of the OMBA.
3. For purposes of this Renewal Agreement, reference is made to Ohio Adm. Code 1301:8-7-08(B)(1) – (8), which provides that a person not holding an active loan officer license shall be in violation of the law if he or she performs any of the functions stated therein. Therefore, Manhattan agrees that no employee of Manhattan or any third party provider not holding an active loan officer license shall engage, on Manhattan’s behalf, in any activity listed in OAC 1301:8-7-08(B)(1) – (8), which includes the following activities:
  - (1) Holding oneself out by advertising or otherwise informing the public that the person engages in any loan origination activities, including without limit through the use of business cards, stationery, brochures, advertisements, rate lists or other promotional items;
  - (2) Discussing credit repair, credit qualifications or financial condition with buyers, or advising the buyer of actions necessary to improve the buyer’s ability to obtain a mortgage loan;
  - (3) Signing, or presenting to a buyer for signature, a loan application document, or signing a mortgage loan origination disclosure statement on behalf of a mortgage broker registrant;
  - (4) Quoting rates, fees, pricing, loan terms, describing available loan programs, or offering information as to the type of loan for which an individual may qualify;

- (5) Providing assistance in taking and preparing an application for a mortgage loan;
  - (6) Discussing mortgage broker fees or obtaining written authority from buyers to electronically debit their accounts;
  - (7) Soliciting personal financial and mortgage information from buyers including social security numbers, bank account numbers or credit card numbers; or
  - (8) Receiving commissions, bonuses, or any other compensation based on the closing of loans or the fees realized on loans.
4. If Manhattan violates any term of this Renewal Agreement, DFI may reject this Agreement and proceed with formal proceedings under R.C. Chapter 119 and, if appropriate, refuse to renew Manhattan's certificate of registration.
  5. The above-described terms, conditions and limitations may be amended or terminated at any time upon the written agreement of both Parties.
  6. This Settlement Agreement must be received by the Division no later than November 10, 2006.
  7. Manhattan understands and agrees that this Renewal 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.

#### **FAILURE TO COMPLY**

If, in the discretion of DFI, DFI has reasonable cause to believe Manhattan has violated or breached any term or condition of this Renewal 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 Renewal Agreement.

#### **ACKNOWLEDGMENTS/LIABILITY RELEASE**

Manhattan acknowledges that it has been advised by DFI to seek legal counsel if it has any questions concerning the terms and/or effect of this Renewal Agreement.

Manhattan hereby releases DFI, its members, employees, agents, officers and representatives jointly and severally from any and all liability arising from the within matter.

This Renewal 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 Renewal Agreement in no way binds or limits future actions DFI may take with respect to Manhattan or any other person, individual, or company, for the same or similar violations.

**EFFECTIVE DATE**

It is expressly understood that this Renewal Agreement shall become effective upon the last date of signature below.

The Renewal Agreement must be signed by: the owner if the mortgage broker 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: Michael L. Metalka President/CEO

SIGNATURE of Authorized Signor #1: \_\_\_\_\_

11/15/2006  
Date

PRINTED Name and Title of Authorized Signor #2: \_\_\_\_\_

SIGNATURE of Authorized Signor #2: \_\_\_\_\_

Date

10/12/06  
Date  
ROBERT M. GRIESER  
Deputy Superintendent for Consumer Finance  
Ohio Division of Financial Institutions

12/14/06  
Date  
ANTHONY D. SICILIANO  
Consumer Finance General Counsel  
Ohio Division of Financial Institutions