

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

In the matter of:

722 REDEMPTION FUNDING, INC.

dba The Newstart Loan Co.

7901 Vine Street, Suite 200

Cincinnati, OH 45216

)
) Case No. 08-0786CDML
)
) **SETTLEMENT AND**
) **CONSENT ORDER TO**
) **CEASE & DESIST**
)

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DIVISION OF FINANCIAL
INSTITUTIONS

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 in Ohio Revised Code §§1321.51 to 1321.60 it has entered into the following Settlement and Consent Order to Cease & Desist; and

WHEREAS, 722 Redemption Funding, Inc., dba The Newstart Loan Co. ("Respondent") is an Ohio corporation registered with the Division under the Ohio Mortgage Loan Act (OMLA), R.C. § 1321.52. The business address of record for Respondent's main office is 7901 Vine Street, Suite 200, Cincinnati, OH 45216; and

WHEREAS, on November 26, 2007 the Division conducted a compliance examination of Respondent pursuant to its authority under R.C. § 1321.55 in which it found that Respondent required consumer borrowers to purchase vendors single interest insurance (VSI) in order to participate in certain loan programs; and

WHEREAS, pursuant to the provisions of R.C. § 1321.57 a lender may not require the purchase of VSI as a condition of granting a loan, and this legal prohibition was discussed with the Respondent as part of a previous compliance examination of July 18, 2002; and

WHEREAS, the Division has the authority to take administrative action pursuant to R.C. § 1321.54(E) and issue an order to cease and desist when the superintendent determines that a person is engaged in activities that constitute a violation of sections 1321.51 to 1321.60 of the Revised Code; and

WHEREAS, 722 Redemption Funding, Inc. neither admits nor denies the allegations of the Division but in order to avoid the cost and uncertainty of litigation Respondent agrees to cease and desist from requiring VSI when lending under the OMLA and 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:

- 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 above.
- 3) 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.
- 4) The Division agrees that it shall not, as long as Respondent is in compliance with this Settlement and Consent Order, pursue the matters set forth herein 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 this order.
- 5) Nothing in this Settlement and Consent Order shall be deemed an admission of guilt or liability, or agreement with the allegations of the Division on the part of Respondent.
- 6) Respondent stipulates to the jurisdiction of the Division in this matter, and agrees to remit the Division's investigation costs as set forth in this Settlement and Consent Order.
- 7) 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.
- 8) This Settlement and Consent Order shall be effective on the date it is signed by the Superintendent of the Division of Financial Institutions and on such date it will become a final order.
- 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. The Respondent shall cease and desist from requiring the purchase of vendors single interest insurance in connection with obtaining a loan under the Ohio Mortgage Loan Act, Ohio Revised Code §§1321.51 to 1321.60 and shall conform the charges for its loan products in the future to all requirements of state law.
- C. The Respondent shall pay to the Division Five Thousand Dollars (\$5,000.00) for its investigation costs in this matter. The payment due under the terms of this Order shall be made by certified check or money order made payable to the Ohio Division of Financial Institutions delivered to the Division's counsel upon the execution of this Order.
- D. Any breach of this Settlement and Consent Order may result in the reinstitution of administrative proceedings against the Respondent, including suspension or revocation, the imposition of fines and any other remedy available to the Division.

Leigh A. Willis
Deputy Superintendent of Consumer Finance

12/24/08
Date

Approved and Agreed

722 Redemption Funding, Inc.

By:

Its: 7

12-23-08
Date

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