

SETTLEMENT AGREEMENT

SM# 501689

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

and

HUMBERT MORTGAGE, INC.

1250 Springfield Pike
Cincinnati, OH 45215

The Division of Financial Institutions (“DFI”) is a state agency charged with the responsibility of administering and enforcing the Ohio Mortgage Loan Act (“OMLA”), codified in Chapter 1321.51 through 1321.60 of the Ohio Revised Code (“R.C.”). Humbert Mortgage, Inc. (“Applicant”) is an Ohio corporation that filed an application with DFI for a certificate of registration under the OMLA on August 17, 2009; that application remains pending.

Applicant 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 waives its right to Notice and hearing pursuant to R.C. Chapter 119.

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. Applicant is an Ohio corporation that filed an application for a certificate of registration under the OMLA on September 18, 2008; that application remains pending.
- B. DFI is authorized to issue an applicant’s certificate of registration under the OMLA if DFI finds that “[t]he financial responsibility, experience, character, and general fitness of the applicant are such as to command the confidence of the public and to warrant the belief that the business will be operated honestly and fairly in compliance with and within the purposes of sections 1321.51 to 1321.60 of the Revised Code[.]” R.C. 1321.53(A)(4).
- C. R.C. 1321.52(A)(1) states: “[n]o person, on that person’s own behalf or on behalf of any other person, shall do either of the following without having first obtained a certificate of registration from the division of financial institutions: (a) [a]dvertise, solicit, or hold out

that the person is engaged in the business of making loans secured by a mortgage on a borrower's real estate which is other than a first lien on the real estate; (b) [e]ngage in the business of lending or collecting the person's own or another person's money, credit, or choses in action for such loans."

- D. Applicant admits that through its website, www.humbertmortgage.com/2ndmortgages, it advertised, solicited, or held out that it was engaged in the business of making loans secured by a mortgage on the borrower's real estate which is other than a first lien on the real estate during a time period that its OMLA application has been pending. Applicant rendered the website unavailable on December 15, 2009.
- E. Applicant represents and avers that it did not take any applications for or originate any loans secured by a mortgage on the borrower's real estate which is other than a first lien during the period it did not hold a certificate of registration under the OMLA.
- F. Applicant represents that it has made and will make no loans under the authority of the OMLA until it obtains a certificate of registration under the OMLA.
- G. DFI enters into this Settlement Agreement in lieu of formal proceedings under R.C. Chapter 119 to deny Applicant's 2009 application for a certificate of registration under the OMLA.

AGREED CONDITIONS

Wherefore, in consideration of the foregoing and mutual promises hereinafter set forth, and in lieu of initiating any formal disciplinary proceedings at this time, Applicant knowingly and voluntarily agrees with DFI to the following terms, conditions and limitations:

- 1. Applicant agrees to cease and desist from further violations of R.C. 1321.52(A)(1) and agrees that it will not engage in activities requiring an OMLA certificate of registration until such time as it obtains an OMLA certificate of registration from DFI.
- 2. Applicant understands that for this Settlement Agreement to be considered for acceptance by DFI, Applicant 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 **December 24, 2009**. Should Applicant fully comply with every provision of this Agreement, DFI agrees to execute the same and approve Applicant's 2009 OMLA certificate of registration application, provided there are no remaining deficiencies.
- 3. Should DFI discover that Applicant has provided DFI with false, fraudulent, misleading, or incomplete information pertaining to this Agreement, Applicant agrees that such evidence will firmly establish that Applicant's experience, 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 OMLA.
- 4. 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, Applicant 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

Applicant 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 and the entirety of this matter.

Applicant hereby releases DFI, its members, employees, agents, officers and representatives jointly and severally from any and all liability arising from the within matter. Applicant 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 Applicant 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 applicant is a sole proprietor; all partners if the applicant 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 applicant 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: _____
Date

PRINTED Name and Title of Authorized Signor #2: _____

SIGNATURE of Authorized Signor #2: _____
Date

Ohio Division of Financial Institution

LEIGH A. WILLIS Date
Deputy Superintendent for Consumer Finance
Ohio Division of Financial Institutions

ANTHONY D. SICILIANO Date
Consumer Finance Attorney Examiner