

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

In the matter of:)	Case No. 04-0012MBD
)	
WMC MORTGAGE CORP.)	
dba AMERICAN LOAN CENTERS)	AGREEMENT
6320 Canoga Ave., Suite TR 28)	
Woodland Hills, CA 91367)	

WHEREAS, the Ohio Department of Commerce, by and through the Superintendent of the Division of Financial Institutions ("Division") and Deputy Superintendent for Consumer Finance, is charged with the responsibility of enforcing the Ohio Mortgage Broker Act, codified in Ohio Revised Code ("R.C.") Chapter 1322; and

WHEREAS, WMC Mortgage Corp. dba American Loan Centers ("Respondent") is registered as a foreign corporation in Ohio and holds active mortgage broker certificates of registration issued by the Division pursuant to R.C. 1322. The business address of record for Respondent's main office is 6320 Canoga Avenue, Suite Tr 28, Woodland Hills, CA 91367 with certificate of registration number MB 4098. Respondent has a branch office located at 950 Forrer Blvd., Kettering, OH 54420 which operates under certificate of registration number MB 4599; and

WHEREAS, on August 19, 2004, the Division sent via certified mail a Notice of Intent to Assess Fine and Deny Renewal of Mortgage Broker Certificates of Registration and Notice of Opportunity for a Hearing to Respondent to its main office business address and statutory agent; and

WHEREAS, on May 24, 2005, the Division sent via certified mail an amended Notice of Intent to Assess Fine & Notice of Opportunity for a Hearing (together with the notice mentioned in the previous clause, the "Notice") to Respondent via counsel; and

WHEREAS, the Notice contained allegations that, among other things:

1. R.C. 1322.03(A) requires a mortgage broker applicant to designate an operations manager with at least three years experience in the mortgage and lending field.

2. R.C. 1322.01(H) defines "Operations Manager" as "the individual responsible for the everyday operations, compliance requirements, and management of a mortgage broker business."
3. If the person designated as operations manager according to the above provision is no longer the operations manager, R.C. 1322.04(D)(1) requires the registrant to designate another person as the operations manager. Within ten days after the designation of the operations manager, the registrant is required to notify the Superintendent of Financial Institutions in writing of the designation and submit any additional information the superintendent requires to establish that the newly designated operations manager complies with the experience requirements set forth in R.C. 1322.03(A)(4).
4. From April 2002 to September 2003, Respondent employed Karen Amorati as its Operations Manager. On September 12, 2003, Ms. Amorati advised the Division that she was no longer employed by Respondent effective September 5, 2003.
5. Respondent rehired Ms. Amorati in April 2004 as Operations Manager.
6. Karen Amorati has notified the Division that she will no longer be employed by Respondent effective July 26, 2004.
7. Respondent did not designate an Operations Manager between September 2003 and April 2004, as required by R.C. 1322.04(D) and R.C. 1322.03(A)(3).

WHEREAS, Respondent employed Vivian Nugent-Forr who acted in the capacity of an Operations Manager and who met the experience requirements of an Operations Manager for the period September 2003 to April 2004; and

WHEREAS, the parties acknowledge that Respondent currently has designated an Operations Manager who meets the requirements of Ohio law; and

WHEREAS, all alleged violations occurred prior to the acquisition of Respondent by its current owner; and

WHEREAS, Respondent neither admits nor denies the allegations of the Division that it violated any law but to avoid the cost and uncertainty of litigation Respondent agrees to enter into this Agreement for purposes of resolving this issue;

NOW THEREFORE, in consideration of the foregoing and the mutual promises set forth herein, the parties agree to the following:

- 1) This Agreement 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.
- 2) The parties agree that the terms of this Agreement bind the parties hereto, and members, assigns, and successors in interest.
- 3) The Division hereby terminates the Notice, and agrees that it shall not, as long as Respondent is in compliance with this Agreement, pursue the matters set forth in such Notice through its administrative process. Nothing, however, in this Agreement 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.
- 4) Nothing in this Agreement shall be deemed an admission of guilt or liability, or agreement with the allegations set forth in the Notice on the part of Respondent.
- 5) Respondent acknowledges lawful service and receipt of the Notice, and stipulates to the jurisdiction of the Division in this matter.
- 6) 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 Agreement.
- 7) This Agreement shall be effective on the date it is counter-signed by the Superintendent of the Division of Financial Institutions or Deputy Superintendent for Consumer Finance and on such date it will become final.
- 8) This Agreement 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 Agreement, it is hereby AGREED that:


- A. The parties to this Agreement shall abide by the terms of this Agreement as agreed.
- B. The Respondent shall at all times that it is licensed by the State of Ohio abide by the provisions of the Ohio Mortgage Broker Act with maintaining an Operations

Manager that performs the statutory duties of an Operations Manager.

- C. Respondent's Operations Manager shall complete at least six hours of continuing education pursuant to R.C. 1322.052 while being licensed by the state of Ohio.
- D. The Respondent hereby agrees to pay Fifteen Thousand Dollars (\$15,000) to the Consumer Finance Fund, in accordance with Chapter 1322. of the Ohio Revised Code, within thirty days of the effective date of this Agreement. Payment shall be made by check, certified check or money order made payable to the Ohio Division of Financial Institutions and delivered to the Division's counsel.

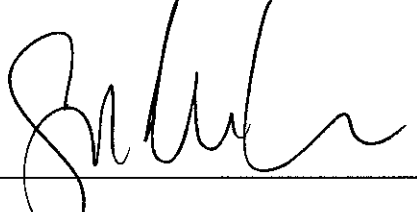
The Respondent understands that any breach in the next five years of this Agreement may result in the reinstitution of administrative proceedings, including suspension or revocation, and any other remedy available to the Division.


Robert M. Grieser
Deputy Superintendent of Financial Institutions


Date

Approved and Agreed

WMC Mortgage Corp. dba American Loan Centers

By: 
Its: George Eshaghian
Executive Vice President
Legal and General Counsel

July 27, 2005
Date