

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

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| In the matter of: |) | Case No. M2009-535 |
| |) | |
| BROOKLINE LENDING GROUP, LLC |) | Notice of Intent to Deny 2009 Renewal |
| dba BROOKLINE HOME LOANS |) | Application, Notice of Intent to Impose a Fine |
| 1009 Delta Avenue |) | & |
| Cincinnati, Ohio 45208 |) | Notice of Opportunity for a Hearing |
| |) | |

JURISDICTION

The Ohio Department of Commerce, by and through the Superintendent of the Division of Financial Institutions ("Division"), is charged with the responsibility of administering and enforcing the Ohio Mortgage Broker Act, codified in Ohio Revised Code ("R.C.") Chapter 1322. In accordance therewith, the Division is accountable for the registration of mortgage brokers.

RESPONDENT

BROOKLINE LENDING GROUP, LLC dba Brookline Home Loans ("Respondent") is an Ohio limited liability company that held a certificate of registration to engage in business as a mortgage broker pursuant to R.C. Chapter 1322. Respondent's mortgage broker certificate of registration expired on April 30, 2008, and Respondent filed an application to renew its certificate of registration. The renewal application remains pending. Respondent's designated Operations Manager is Jeffrey W. Janosick. Respondent's business address of record is 1009 Delta Avenue, Cincinnati, Ohio 45208.

NOTICE OF PROPOSED ACTION

In accordance with sections 1322.04 and 1322.10 of the R.C., and R.C. Chapter 119, the Division intends to DENY Respondent's 2009 renewal application for a mortgage broker certificate of registration and IMPOSE A FINE of two thousand dollars (\$2,000.00) for its violations of R.C. 1322.07(A), (B) and (C).

BASIS FOR PROPOSED ACTION

The Division has conducted an investigation of Respondent, pursuant to R.C. 1322.10(B) and R.C. 1322.04(B), and has found the following:

- A. On or around July 24, 2008, in the District Court of La Plata County, Colorado, Case Number 2008-CV-65, a civil action was filed in the case of *Mariane K. Byrd v. Jeffrey W. Janosick et. al*, which lawsuit involves consumer or real estate lending or brokering.
- B. On or around January 12, 2009, in the United States Bankruptcy Court, Southern District of Ohio, Case Number 1:09-ap-01002, an adversarial proceeding was filed in the case of *Marianne Byrd v. Jeffrey William Janosick*, which lawsuit involves consumer or real estate lending or brokering.

- C. On or around April 1, 2009, Respondent answered “No” when asked in its 2009 mortgage broker certificate of registration renewal application whether the registrant, its operations manager, or any owner or officer had been named in any civil action that involved consumer or real estate lending or brokering.
- D. On or around April 1, 2009, Respondent attested in a sworn statement that information provided in Respondent's mortgage broker certificate of registration renewal application submitted to the Division was complete and truthful when it was not.
- E. On or around April 1, 2009, in an attempt to obtain a mortgage broker certificate of registration, Respondent provided untruthful information to the Division.

As a result of the findings listed above, the Division has determined that:

- 1. The Division is authorized by R.C. 1322.10(A)(1)(a) to refuse to renew a mortgage broker certificate of registration if the Division finds that the registrant has violated “or fail[ed] to comply with any provision of sections 1322.01 to 1322.12 of the Revised Code or the rules adopted under those sections or any other law applicable to the business conducted[.]”
- 2. The Division is authorized by R.C. 1322.10(A)(2) to “[i]mpose a fine of not more than one thousand dollars, for each day a violation of law or rule is committed, repeated or continued. If the registrant or licensee engages in a pattern of repeated violations of law or rule, the Division may impose a fine of not more than two thousand dollars for each day the violation is committed, repeated, or continued.”
- 3. R.C. 1322.04(B)(3) provides that a mortgage broker certificate of registration will be renewed annually if the superintendent finds that the applicant meets the conditions set forth in divisions (A)(2) to (10) of R.C. 1322.04.
- 4. R.C. 1322.04(A)(6) lists as a condition for obtaining and renewing a mortgage broker certificate of registration that the applicant complies with sections 1322.01 to 1322.12 of the Revised Code.
- 5. Respondent’s actions, as listed in paragraphs A through E above, violated R.C. 1322.07(A), which prohibits an applicant for a mortgage broker certificate of registration from “mak[ing] any substantial misrepresentation in any registration or license application[.]”
- 6. Respondent’s actions, as listed in paragraphs A through E above, violated R.C. 1322.07(B), which prohibits an applicant for a mortgage broker certificate of registration from “[m]ak[ing] false or misleading statements of a material fact, [or] omissions of statement required by state law[.]”
- 7. Respondent’s actions, as listed in paragraphs A through E above, violated R.C. 1322.07(C), which prohibits an applicant for a mortgage broker certificate of registration from “[e]ngag[ing] in conduct that constitutes improper, fraudulent, or dishonest dealings.”

8. Respondent's actions, as listed in paragraphs A through E above, show Respondent's 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 Ohio Mortgage Broker Act. See R.C. 1322.04(A)(10).
9. Respondent does not meet the renewal requirements set forth in divisions (A)(6) and (10) of R.C. 1322.04, and the Division has the authority to refuse to renew its mortgage broker certificate of registration.
10. Because Respondent violated R.C. 1322.07(A), (B), and (C), the superintendent has determined that a fine of two thousand dollars (\$2,000.00) is reasonable, appropriate, and necessary.

NOTICE OF OPPORTUNITY FOR A HEARING ON PROPOSED ACTION

Therefore, pursuant to R.C. Chapters 1322 and 119, Respondent is hereby notified that thirty-one (31) days from the date of the mailing of this Notice, the Superintendent intends to issue an Order denying Respondent's renewal application under the Ohio Mortgage Broker Act and imposing a fine in the amount of two thousand dollars (\$2,000.00).

Respondent is further notified, pursuant to R.C. Chapter 119, that Respondent is entitled to a hearing on this matter. If Respondent desires to request a hearing, the request must be made in writing, and must be received in the offices of the Ohio Division of Financial Institutions within thirty (30) days of the time of the mailing of this Notice. Hearing requests should be addressed: Ohio Division of Financial Institutions, Attn: Jacqueline Mallett, Consumer Finance Attorney Examiner, 77 South High Street, 21st Floor, Columbus, Ohio 43215-6120.

At the hearing, Respondent may appear in person, by Respondent's attorney, or by such other representative as is permitted to practice before the Agency, or Respondent may present its position, arguments, or contentions in writing, and, at the hearing, may present evidence and examine witnesses appearing for and against Respondent. At the hearing, a corporation or limited liability company must have a representative that is permitted to practice before the Agency, such as an attorney.

If the Ohio Division of Financial Institutions does not receive a written request for a hearing in its offices within thirty (30) days of the time of the mailing of this Notice, the Superintendent will issue an Order denying Respondent's renewal application and imposing a fine in the amount of two thousand dollars (\$2,000.00).

Signed and sealed this 18th day of May 2009.

LEIGH A. WILLIS

Deputy Superintendent for Consumer Finance
Division of Financial Institutions
Ohio Department of Commerce