

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

In the matter of:

WMC MORTGAGE CORP.

dba AMERICAN LOAN CENTERS

6320 Canoga Ave., Suite TR 28

Woodland Hills, CA 91367

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Case No. 04-0012MBD

**Amended Notice of Intent to Assess Fine
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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 enforcing the Ohio Mortgage Broker Act, codified in Ohio Revised Code ("R.C.") Chapter 1322, and the rules adopted thereunder.

RESPONDENT

Respondent 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. In mid-2004 WMC Mortgage Corp. was acquired by GE Consumer Finance-Americas of Stamford, Connecticut.

NOTICE OF PROPOSED ACTION

In accordance with R.C. 1322.04, and pursuant to R.C. Chapter 119, the Division intends to ASSESS A FINE for Respondent's violations of the Ohio Mortgage Broker Act.

ALLEGATIONS

Pursuant to R.C. 1322.10(B) and R.C. 1322.04(B), the Division conducted an investigation into the affairs of Respondent, and as a result thereof, alleges the following:

1. R.C. 1322.03(A)(3) and (4) 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, WMC Mortgage Corp. employed Karen Amorati as its Operations Manager. On September 12, 2003, Ms. Amorati advised the Division that she was no longer employed by WMC Mortgage Corp. effective September 5, 2003.
5. WMC Mortgage Corp. rehired Ms. Amorati in April 2004 as Operations Manager. Unknown to the Division, at the time of this hiring, Ms. Amorati was not given the duties of acting as the Registrant's operations manager.
6. In truth and in fact, at no time during her employment with Respondent was Ms. Amorati responsible for everyday operations, compliance requirements, and management of Respondent's mortgage broker business.
7. R.C. 1322.052 requires operations managers to complete six hours of continuing education every year.
8. Registrant asked Ms. Amorati to complete the continuing education to meet the R.C. 1322.052 requirements. Shortly after being hired in April 2004, Ms. Amorati took the requisite continuing education classes.
9. On July 9, 2004 Karen Amorati notified the Division that she would no longer be employed by WMC Mortgage Corp. effective July 26, 2004.
10. The Division believes that Respondent hired Ms. Amorati in April 2004 not for the purpose of performing the functions of an operations manager but to be able to present a name of someone in order to file for the renewal of their Mortgage Broker Certificate of Registration and the effect of her designation resulted in impermissibly evading the Operations Manager and continuing education requirements of R.C. 1322.

11. By not designating an Operations Manager between September 2003 and April 2004, Respondent has violated R.C. 1322.04(D) and R.C. 1322.03(A)(3).
12. R.C. 1322.07(C) prohibits registrants from engaging in conduct that constitutes improper, fraudulent or dishonest dealings.
13. By hiring and designating a person as the operations manager for purposes of its Mortgage Broker certificates of registration renewal without actually assigning that person those functions, Respondent has engaged in conduct that constitutes improper or dishonest dealings in violation of R.C. 1322.07(C).

FINDINGS

Based upon the allegations above, the Division has determined the following:

1. Respondent WMC Mortgage Corp. has violated R.C. 1322.04(D) and R.C. 1322.03(A)(3) by not designating an Operations Manager between September 2003 and April 2004.
2. By hiring and designating a person as the operations manager for purposes of its Mortgage Broker certificates of registration renewal without actually assigning that person those functions, Respondent WMC Mortgage Corp. has violated R.C. 1322.07(C) by engaging in conduct that constitutes improper or dishonest dealings.

PROPOSED ACTION

Based upon the allegations and findings above, the Division intends to LEVY A FINE against WMC Mortgage Corp. in the amount of \$25,000 for the violation of R. C 1322.07(C), R.C. 1322.04, and R.C. 1322.03(A)(3).

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 imposing a FINE of \$25,000 against WMC Mortgage Corp. dba American Loan Centers.

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

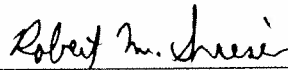
Institutions within thirty (30) days of the time of the mailing of this Notice. Hearing requests should be addressed to:

State of Ohio
Department of Commerce
Division of Financial Institutions
Attn: Attorney Timothy C. Winslow
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.

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 imposing a FINE of \$25,000 against WMC Mortgage Corp. dba American Loan Centers.

Signed and Sealed this 23rd day of May, 2005.



Robert M. Grieser
Deputy Superintendent of Financial Institutions

Cc: Timothy C. Winslow, In House Counsel—Division of Financial Institutions
Matt Lampke, Asst. Attorney General, Business & Government Regulation

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