

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

In the matter of:	)	Case No. M2008-332
	)	
<b>CREDIT FINANCIAL SERVICES, LLC</b>	)	<b>Notice of Intent to Deny Mortgage Broker</b>
d/b/a Alliance Mortgage Group	)	<b>Renewal Application and Impose a Fine</b>
130 Tri County Parkway, Suite 208	)	<b>&amp;</b>
Cincinnati, Ohio 45246	)	<b>Notice of Opportunity for a Hearing</b>
	)	

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**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**

**CREDIT FINANCIAL SERVICES, LLC.** d/b/a Alliance Mortgage Group ("Respondent") is a 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 business address of record is 2130 Tri County Parkway, Suite 208, Cincinnati, Ohio 45246.

**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 2008 renewal application for a mortgage broker certificate of registration and impose a FINE.

**BASIS FOR PROPOSED ACTION**

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

- A. The Division is authorized by R.C. 1322.10(A)(1)(a) to refuse to renew an applicant's mortgage broker certificate of registration if the Division finds that the applicant has violated "or failed 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 under a certificate of registration[.]"
- B. The Division is authorized by R.C. 1322.10(A)(2) to "[i]mpose of 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."

- C. R.C. 1322.02(B) prohibits any person from acting as a “loan officer” without first having obtained a license from the superintendent.
- D. R.C. 1322.01(E) defines “loan officer” as an employee who originates mortgage loans in consideration of direct or indirect gain, profit, fees or charges.
- E. R.C. 1322.031(E)(2) prohibits a mortgage broker from employing a loan officer on a temporary basis pending the transfer of the loan officer’s license to the mortgage broker unless the mortgage broker receives written confirmation from the superintendent that the loan officer is licensed under sections 1322.01 to 1322.12 of the Revised Code.
- F. In or around November 2005, the Division withdrew the 2005 loan officer license renewal application of James H. Palmer for failure to correct deficiencies contained therein and informed Palmer that he was “no longer licensed as a loan officer under the OMBA [Ohio Mortgage Broker Act].”
- G. On or around January 2006 the Division received a “Loan Officer License Transfer Application” from Respondent indicating that effective January 20, 2006 Respondent was the new employer of James H. Palmer. The Transfer Application included the notarized certificate of employment but did not include the “Request for Confirmation of Loan Officer License Status” form.
- H. Because Palmer had no loan officer license to transfer, it was impossible for the Division to process the transfer application, issue a license to reflect his employment by Respondent and mail the license to Respondent.
- I. Because Respondent failed to request written confirmation of Palmer’s loan officer status to work, no written confirmation was provided to Respondent.
- J. In or around February/March 2006, Palmer originated a mortgage loan and/or acted as a loan officer on Respondent’s behalf to refinance a mortgage loan for borrowers Kim K. and Brenda M. Snodgrass.
- K. Respondent’s records indicate that Respondent was paid \$8,695.00 for brokering the Snodgrass loans and paid Palmer \$1,837.35.
- L. In or around April 2006 Cory L. Hammond originated a mortgage loan and/or acted as a loan officer on Respondent’s behalf to refinance a mortgage loan for borrowers Ryan D. and Patricia A. Whitmer.
- M. Respondent’s records indicate that Respondent was paid \$7,603.97 for brokering the Whitmer loans and paid Hammond a commission of \$1,142.79.
- N. In or around May 2006 the Division received the first and only license application form from Hammond to obtain a loan officer license to work as an employee of GS Group Mortgage Services, Inc.

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

- 1. Respondent violated R.C. 1322.02(B) by permitting unlicensed persons to act as loan officers and to originate mortgage loans for direct or indirect gain, profit, fees or charges.

2. Respondent violated R.C. 1322.031(E)(2) by permitting an unlicensed loan officer to originate mortgage loans without first obtaining written confirmation of the loan officer's status from the Division.
3. Respondent violated R.C. 1322.07(C) by holding out unlicensed individuals to the public as persons permitted to act as loan officers.
4. Because Respondent committed violations of R.C. 1322.02(B), 1322.031(E)(2) and 1322.07(C), the Division may impose a one thousand dollar (\$1,000.00) fine for each of Respondent's violations.
5. Because Respondent violated R.C. 1322.02(B), R.C. 1322.031(E)(2), and R.C. 1322.07(C), Respondent's Renewal Application should be denied pursuant to 1322.10 (A)(1)(a) and a fine of six thousand dollars (\$6,000.00) should be imposed pursuant to R.C. 1322.10(A)(2).

### **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 and imposing a six thousand dollar (\$6,000.00) fine under the Ohio Mortgage Broker Act.

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: Lori A. Massey, Consumer Finance Attorney Examiner, 77 South High Street, 21<sup>st</sup> 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 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 six thousand dollar (\$6,000.00) fine.

Signed and sealed this 12<sup>th</sup> day of May, 2008.

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**LEIGH A. WILLIS**

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