

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

In the matter of:)	Case No. M2009-227
)	
JEFFREY D. HERR)	Notice of Intent to Revoke Loan Officer License
3901 Ledgewood Drive)	&
Cincinnati, OH 45229)	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, and the rules adopted thereunder. In accordance therewith, the Division is accountable for the licensing of individuals as residential mortgage loan officers.

RESPONDENT

JEFFREY D. HERR ("Respondent") is an individual that holds a loan officer license issued by the Division to originate residential mortgage loans pursuant to R.C. Chapter 1322. Respondent's address of record is 3901 Ledgewood Drive, Cincinnati, Ohio 45229, and his date of birth is August 23, 1973. Respondent has no current employer of record.

NOTICE OF PROPOSED ACTION

In accordance with R.C. 1322.10 and R.C. Chapter 119, the Division intends to REVOKE Respondent's loan officer license.

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 revoke a loan officer license if the Division finds that the licensee 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. R.C. 1322.02(B) states, in part, that "[N]o person, on the person's own behalf or on behalf of any other person, shall act as a loan officer without first having obtained a license from the superintendent."
- C. R.C. 1322.07(C) prohibits loan officers from engaging in conduct that constitutes improper, fraudulent, or dishonest dealings.
- D. R.C. 1322.07(F) prohibits a registrant, a loan officer, and an applicant for a loan officer license from knowingly instructing, soliciting, proposing, or otherwise causing a buyer to sign in blank a mortgage related document.

- E. Respondent was 1/3 owner and president of former OMBA registrant Coldstream Financial Services, Inc., which surrendered its certificate of registration on or about October 3, 2008.
- F. In February 2007, Coldstream Financial Services, Inc. hired Joshua J. Salyers as a loan officer.
- G. On or about March 12, 2007, Mr. Salyers submitted a loan officer license application to the Division. On March 14, 2007, the Division issued a letter authorizing Mr. Salyers to take the loan officer license examination. The Division's March 14, 2007 letter stated: "[Y]ou are **NOT** authorized to conduct business as a loan officer under the OMBA until you are issued a loan officer's license." On June 26, 2007, Mr. Salyer's loan officer license application was withdrawn by operation of law for failure to successfully complete the loan officer examination within 90 days of his authorization date.
- H. In April and May 2007 and while his loan officer license application was pending, Mr. Salyers acted as a loan officer with respect to the taking of a residential mortgage loan application and the origination of the loan for buyer Jennifer S. White. Mr. Salyers did not hold and has never been issued a loan officer license pursuant to the OMBA from the Division. Mr. Salyers' actions violated R.C. 1322.02(B).
- I. On or about April 28, 2007, Mr. Salyers knowingly instructed, proposed, or otherwise caused buyer Jennifer S. White to sign a blank Mortgage Loan Origination Disclosure statement in violation of R.C. 1322.07(F).
- J. In or around April or May 2007 and while employed by former OMBA registrant Coldstream Financial Services, Inc., loan officer Caveh Azadeh completed a Uniform Residential Loan Application indicating that he had met face-to-face in completing the application with buyer Jennifer S. White. Mr. Azadeh never met face-to-face or otherwise with Ms. White in completing the mortgage loan application. The loan application interview was conducted by an unlicensed loan officer named Joshua J. Salyers. Mr. Azadeh's actions violated R.C. 1322.07(C).

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

- 1. As a result of the actions listed above in paragraphs H, I, and J by employees of Coldstream Financial Services, Inc., Respondent, as owner and president of Coldstream Financial Services, Inc., violated R.C. 1322.07(C).
- 2. Because Respondent violated R.C. 1322.07(C), Respondent's loan officer license should be revoked pursuant to R.C. 1322.10(A)(1)(a).

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 revoking Respondent's loan officer license.

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: Anthony Siciliano—Consumer Finance General Counsel, 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 revoking Respondent's loan officer license.

Signed and sealed this 19th day of March, 2009.

LEIGH A. WILLIS

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