

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

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| In the matter of: |) | Case No.M2006-9992743 |
| |) | |
| GORDON LENDING CORPORATION |) | Notice of Intent to Revoke |
| 5940 Wilcox Place- Suite B |) | Mortgage Broker Certificate of |
| Dublin, OH 43016 |) | Registration & Assess Fine |
| |) | |

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 Gordon Lending Corporation, ("Respondent") is a Delaware corporation which holds an active mortgage broker certificate of registration issued by the Division pursuant to R.C. 1322. The business address of record for Respondent's main office is 5940 Wilcox Place- Suite B, Dublin, OH 43016 which operates under certificate of registration MB#2240.

NOTICE OF PROPOSED ACTION

In accordance with R.C. 1322.10 and pursuant to R.C. Chapter 119, the Division intends to REVOKE Respondent's Certificate of Registration and ASSESS A FINE.

ALLEGATIONS

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

1. R.C. 1322.02(B) states: "No 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."
2. R.C. 1322.01(E) defines "Loan Officer" as "an employee who originates mortgage loans in consideration of direct gain or indirect gain, profit, fees, or charges." "Loan Officer" also includes an employee who solicits financial and mortgage information from the public for sale to another mortgage broker.

3. On August 26, 2005, a complaint was filed with the Division's Office of Consumer Affairs against Respondent. The complaint concerned a residential mortgage transaction on property at 3584 Maize Road, Columbus, OH 43224-3264 which mortgage loan was obtained with Respondent's assistance. The complainant, Ms. Bridgett Harris stated that Jack Burton was her loan officer for the transaction, a claim supported by the loan application she submitted to the Division.
4. Jack Burton had previously submitted two applications to become a loan officer to the Division, one on September 30, 2003 and another on April 12, 2005. Both applications were withdrawn by the Division pursuant to R.C. 1322.031(D), due to Mr. Burton's failure to respond to the Division's request to submit certain information to complete his applications. Jack Burton has never been issued a loan officer license pursuant to R.C. 1322. Consequently, he has never been authorized to originate loans subject to the Ohio Mortgage Broker Act.
5. Jack Burton was not licensed at the time he conducted the interview or at any time that he was assisting Ms. Harris in obtaining the above-referenced mortgage. By originating said loan without first obtaining a loan officer license he acted in violation of R.C. 1322.02(B).
6. Records submitted by Respondent in response to a Division subpoena for loan documents from March through April 2004 showed that eight additional loans were originated by Mr. Burton and four other individuals employed by Respondent who were unauthorized to originate loans under the Ohio Mortgage Broker Act.
 - a. Alfred A. Hadlock applied to the Division for a loan officer license to work with Gordon Lending Corporation on February 17, 2004. On or about March 4, 2004, Respondent was notified by the Division through its Operations Manager that Al Hadlock had not completed the required criminal background check and his application would be withdrawn if not completed within 90 days of application. Alfred Hadlock completed a background check on or about June 2, 2004 and was issued a license by the Division on July 22, 2004.

Records of the Respondent reveal that Al Hadlock originated a loan without a license on behalf of Respondent, which loan was subject to the Ohio Mortgage Broker Act, on property located at 665 US Route 42N, Ashland, OH 44806, on or about February 18-22, 2004 for which the settlement occurred on March 13, 2004.
 - b. Robert Corwin applied to the Division for a loan officer license on March 26, 2004. Robert Corwin was issued a loan officer license by the Division on May 5, 2004.

Records of the Respondent revealed that Robert Corwin originated two loans on behalf of Respondent when not licensed to do so under the Ohio Mortgage Broker Act. Robert Corwin originated one such loan on property located at 119 Montrose Avenue, Delaware, Ohio 43015 on or about March 3-5, 2004 for which settlement occurred on April 8, 2004. He originated another such loan on property located at 4292 Baker Street, Radnor, OH 43066 or about March 15-18, 2004, which closed on or about April 14, 2004.

- c. Mangisani Mphande applied to the Division for a loan officer license to work for Supreme Funding Mortgage Services Inc. on or about November 1, 2002 which was issued by the Division on November 25, 2002. Mangisani Mphande did not take the exam required by R.C. 1322.051(B). Consequently, the license terminated by operation of law on or about February 23, 2003. She reapplied for a loan officer license to work for First Meridian Mortgage Group, Ltd. on or about October 30, 2003, which license was issued by the Division on November 4, 2003. She took the exam required by R.C. 1322.051(B) on November 26, 2003, and on December 17, 2003 and failed the exam both times. Mangisani Mphande transferred her license to Gordon Lending Corp. on or about January 13, 2004. On or about February 2, 2004, Mangisani Mphande's loan officer license terminated by operation of law. Mangisani Mphande applied for another loan officer license on November 3, 2004. She did not hold a loan officer license from February 3, 2004 until November 3, 2004.

Records of the Respondent reveal that Mphande originated a loan without a license on behalf of Respondent, which loan was subject to the Ohio Mortgage Broker Act, on property located at 295 Woodland Avenue, Clyde, Ohio 43410, on or about February 17, 2004 which closed on March 24, 2004 during a time that she was not licensed to originate loans under the Ohio Mortgage Broker Act.

- d. Barbara Keefer applied to the Division for a loan officer license on or about May 6, 2002 to work for H & R Block Mortgage Corp. The Division requested additional information from Ms. Keefer on or about June 27, 2002. She failed to respond. Consequently, pursuant to R.C. 1322.031(D), her application was withdrawn by the Division. Ms. Keefer reapplied for a loan officer license on April 16, 2003 for Gordon Lending Corp. On December 11, 2003, Barbara Keefer was notified that she failed to submit a background check and that her application would be withdrawn by the Division pursuant to R.C. 1322.031(D) unless she completed the application. Having failed to supply the requested information to the Division her application was withdrawn. Barbara Keefer next reapplied to the Division for a loan officer license on or about October 26, 2004 for Proserv Financial Corp. which was issued on December 14, 2004.

Records of the Respondent reveal Barbara Keefer offered and sought to negotiate and thereby originate a loan without a license on behalf of

Respondent, which loan was subject to the Ohio Mortgage Broker Act, on property located at 682 Township Road 150, Sullivan, OH 44880, on or about February or March 2004. It appears that this loan failed to close.

- e. Respondent's records further reveal three additional mortgage loan files originated by Jack Burton on behalf of Respondent when he was not licensed and authorized to originate loans by the Ohio Mortgage Broker Act. These transactions occurring on March 3, 2004, March 24, 2004, April 15, 2004, concern properties located at 750 Bedford Avenue, Columbus, OH 43205, 65 Woodrow Ave., Columbus, OH 43207, 5745 Loganwood Dr., Columbus, Ohio 43229, respectively, and each of these transactions were subject to the Ohio Mortgage Broker Act.
- 7. R.C. 1322.07(C) prohibits registrants from engaging in conduct that constitutes improper, fraudulent, or dishonest dealings.
- 8. By allowing five of its employees to act as loan officers for Gordon Lending Corporation and perform duties which require a loan officer license without first obtaining a loan officer license, Respondent has engaged in conduct that constitutes improper, fraudulent and dishonest dealings.

FINDINGS

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

Respondent violated 1322.07(C) of the Ohio Mortgage Broker Act by allowing five employees to act as loan officers without having active loan officer licenses

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PROPOSED ACTION

Based upon the allegations and findings above, the Division intends to REVOKE Respondent's certificate of registration and to LEVY A FINE in the amount of \$9,000.00 for the violations of R. C. 1322.07(C).

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 certificate of registration MB #2240 and imposing a FINE of \$9,000.00 on Gordon Lending Corporation.

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 by an 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 certificate of registration and assessing a FINE of \$9,000.00 on Gordon Lending Corporation.

Signed and Sealed this 21st day of April, 2006.

Robert M. Grieser
Deputy Superintendent of Financial Institutions

cc: Timothy C. Winslow, In House Counsel—Division of Financial Institutions
Matt Lampke, Asst. Attorney General, Executive Agencies

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