

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

In the matter of:)	Case No. M2007-499
)	
CAPITAL CITY FUNDING, INC.)	DIVISION ORDER
11928 Montgomery Road, Suite 6)	Mortgage Broker Registration Renewal Denial
Cincinnati, Ohio 45249)	&
)	Notice of Appellate Rights

WHEREAS, the Ohio Department of Commerce, by and through the Superintendent of the Division of Financial Institutions ("Division") and charged with the responsibility of administering and enforcing the Ohio Mortgage Broker Act, as codified in Ohio Revised Code ("R.C.") Chapter 1322, the Division finds that this Order is necessary and appropriate, in the interest of the public, and is consistent with the purposes of the Ohio Mortgage Broker Act; and

WHEREAS, Capital City Funding, Inc. ("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, 2007, and Respondent filed an application to renew its certificate of registration, which remains pending; and

WHEREAS, on September 4, 2007, the Division issued Respondent a Notice which informed it that the Division had conducted an investigation of Respondent and, as a result thereof, alleged that:

1. 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[.]"
2. R.C. 1322.03(A)(3) requires a mortgage broker applicant that is a corporation to designate an operations manager.
3. If the person designated as the operations manager pursuant to 1322.03(A)(3) is no longer operations manager, the mortgage broker registrant must designate another person as the operations manager and, within ten days thereof, notify the division in writing of the designation. See R.C. 1322.04(D).
4. As of August 29, 2007, the Division had not received notice that Janice Armor Respondent's newly designated operations manager had taken and passed the required operations manager examination within the 90 day period, ending August 23, 2007.

5. Since October 2006, Respondent has been operating as a mortgage broker registrant without an operations manager in violation of R.C. 1322.03(A)(3).
6. Because Respondent failed to comply with R.C. 1322.03(A)(3) and 1322.04(D), the Division finds 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, thereby failing to meet the prerequisite for certificate of registration renewal found in R.C. 1322.04(B)(3). See R.C. 1322.04(A)(10) & (B)(3).
7. Because Respondent failed to comply with R.C. 1322.03(A)(3) and 1322.04(D) and did not meet the conditions outlined in R.C. 1322.04(B)(3), the Division has the authority to refuse to renew Respondent's mortgage broker certificate of registration. See R.C. 1322.10(A)(1)(a).

WHEREAS, the Notice informed Respondent of the Division's intent to deny the renewal of Respondent's certificate of registration and of the opportunity for a hearing regarding the denial if requested within thirty days from the mailing of the Notice. The Notice further cautioned Respondent that if the Ohio Division of Financial Institutions did not receive a written request for a hearing in its offices within thirty (30) days of the time of the mailing of the Notice, the Superintendent would issue an order denying Respondent's certificate of registration renewal;

WHEREAS, the Notice was mailed to Respondent, via certified mail, on September 4, 2007;

WHEREAS, the Notice mailed to Respondent via certified mail on September 4, 2007 was returned to the Division "unclaimed," and the Division mailed the Notice to the Respondent via ordinary mail, pursuant to R.C. 119.07, on October 16, 2007;

WHEREAS, the Notice mailed to Respondent via ordinary mail on October 16, 2007 was not returned to the Division;

WHEREAS, the Division finds that the allegations contained in the Notice are true and that Respondent's mortgage broker certificate of registration renewal application should be denied;

Respondent Capital City Funding, Inc.'s 2007 mortgage broker certificate of registration renewal application is hereby DENIED.

It is so ordered.

NOTICE OF RIGHT TO APPEAL

Respondent is hereby notified that this Order may be appealed, pursuant to R.C. 119.12, by filing a notice of appeal with the Ohio Division of Financial Institutions, setting forth the Order appealed from and the grounds for the appeal. A copy of such notice of appeal must also

be filed with the court of common pleas of the county in which the place of business of the Respondent is located, or the county in which the Respondent is a resident. A notice of appeal must be filed within fifteen (15) days after the date of mailing of this Order.

Signed and sealed this 21st day of March 2008.

LEIGH A. WILLIS

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