

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

In the matter of:

RONALD A. BUTLER
848 Hunters Glen Dr.
Gahanna, OH 43230

)
) **Case No.**
)
) **Notice of Intent to Revoke Loan Officer**
) **License &**
) **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 Ronald A. Butler ("Respondent") holds a loan officer license (LO# 004344) issued by the Division pursuant to R.C. 1322. This license was placed into escrow on or about February 2004. Respondent's last employer of record was The Mortgage Firm, Inc. with a main office address of 399 Main Street, Columbus, OH 43215 and certificate of registration number MB 2179. Respondent's home address of record is 848 Hunters Glen Dr. Gahanna, OH 43230 and his date of birth is November 16, 1969.

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. On or about July 31, 2002, the Division's Office of Consumer Affairs received information from John M. Cavanagh, a licensed Ohio appraiser, that fraudulent appraisals had been generated by someone associated with Momentum Mortgage & Consulting, Inc. These appraisals had been submitted as part of loan applications handled by Momentum Mortgage & Consulting and contained forgeries of John Cavanagh's signature and falsely listed his appraisal license number.
2. These appraisals were not actual analyses, opinions, or conclusions relating to the nature, quality, value, or utility of specified interests in, or aspects of

identified real estate that are classified as either a valuation or an analysis. Said appraisals used fictitious properties at fictitious addresses for comparable properties. Properties with the street address of “223 Amby Lane” and “594 Charolais Lake Drive” were falsely and repeatedly used as comparable properties on several appraisals. The falsity of these appraisals is apparent on their face in that they variously list these same street addresses as being in McArthur, Liberty City, Trotwood, Dayton, and Utica, Ohio.

3. Respondent, Ronald A. Bulter, along with another loan officer at Momentum Mortgage & Consulting, Inc., generated and/or knowingly used at least twenty-two fraudulent appraisals containing the forged signature and license of John M. Cavanagh. These false appraisals were knowingly submitted to lenders by Respondent.
4. Ronald Butler was terminated from his employment at Momentum Mortgage & Consulting, Inc. by its president William Turner upon discovery of the fraud and Respondent’s misconduct.
5. R.C. 1322.07(B) prohibits licensees from making false or misleading statements of a material fact, omissions of statements required by state law, or false promises regarding a material fact, through advertising or other means, or engage in a continued course of misrepresentations. By generating and/or knowingly using falsified appraisals using a licensed appraiser’s name and license number, Respondent made false and misleading statements of material facts and engaged in a continued course of misrepresentations.
6. R.C. 1322.07(C) prohibits licensees from engaging in conduct that constitutes improper, fraudulent, or dishonest dealings. By generating and/or knowingly using falsified appraisals, Respondent engaged in conduct that constitutes improper, fraudulent, or dishonest dealings.
7. R.C. 1322.07(E) prohibits licensees from knowingly making, proposing, or soliciting fraudulent, false, or misleading statements on any mortgage document or on any document related to a mortgage, including a mortgage application, real estate appraisal, or real estate settlement or closing document. By generating and/or knowingly using falsified appraisals, Respondent knowingly made false statements on a document related to a mortgage, more specifically, an appraisal.
8. By Respondent’s violations of R.C. §§ 1322.07(B), (C), and (E), singly or together, Respondent has failed to comply with the provisions of the Ohio Mortgage Broker Act and his license should and can be revoked pursuant to R.C. § 1322.10(A)(1).
9. By Respondent’s violations of R.C. §§ 1322.07(B), (C), and (E), singly or together, Respondent has failed to demonstrate sufficient character and general

fitness so as to command the confidence of the public or warrant the belief that the business engaged in by the Respondent will be operated honestly and fairly in compliance with R.C. §§ 1322.01 to 1322.12, and his license should be revoked.

10. Pursuant to R.C. 1322.10(A)(1), after notice and opportunity for a hearing conducted in accordance with Chapter 119 of the Revised Code, the superintendent of financial institutions may revoke a license if the superintendent finds a violation of or failure 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.

FINDINGS

Based upon the allegations above, the Division determines the following:

1. By generating or knowingly using falsified appraisals, Respondent Ronald Buler knowingly made fraudulent, false, or misleading statements on a mortgage document or on a document related to a mortgage; therefore Ronald Butler has violated R.C. 1322.07(E).
2. By generating or knowingly using falsified appraisals, Respondent Ronald Butler engaged in conduct that constitutes improper, fraudulent, or dishonest dealings in violation of R.C. 1322.07(C).
3. By generating or knowingly using falsified appraisals, Respondent Ronald Butler made false and misleading statements of material facts and engaged in a continued course of misrepresentations in violation of R.C. 1322.07(B).
4. By Respondent's violations of R.C. §§ 1322.07(B), (C), and (E), singly or together, Respondent has failed to comply with the provisions of the Ohio Mortgage Broker Act and revocation of his license is proper pursuant to R.C. § 1322.10(A)(1).
5. By Respondent's violations of R.C. §§ 1322.07(B), (C), and (E), singly or together, Respondent has failed to demonstrate sufficient character and general fitness so as to command the confidence of the public or warrant the belief that the business engaged in by the Respondent will be operated honestly and fairly in compliance with R.C. §§ 1322.01 to 1322.12, and revocation of his license is proper pursuant to R.C. § 1322.10(A)(1).

PROPOSED ACTION

Based upon the allegations and findings above, the Division intends to **REVOKE** Respondent, Ronald Butler's loan officer license.

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 Ronald Butler'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 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 REVOKING Respondent's loan officer license.

Signed and Sealed this _____ day of _____, 2004.

Robert M. Grieser
Deputy Superintendent of Financial Institutions

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