

Bob Taft  
Governor

Lt. Governor Jennette Bradley  
Director

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

In the matter of:

**SUDHIR CHAND**  
6229 Shawnee Street  
Grove City, OH 43123

) Case No. 04-0329LOR  
)  
)  
) **DIVISION ORDER**  
) **Revocation of Loan Officer License and**  
) **Fine**  
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WHEREAS, 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, as amended by Ohio Senate Bill 76 and 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, Sudhir Chand ("Respondent") holds an active loan officer license (LO#008782) issued by the Division pursuant to R.C. Chapter 1322; and

WHEREAS, on July 8, 2004, the Division issued Respondent a Notice of Intent to Assess Fine and Revoke Loan Officer License & Notice of Opportunity for a Hearing which notice was served upon Respondent by U.S. certified mail as shown by return receipt; and

WHEREAS, based on the Division's investigation said notice contained the following allegations and findings:

1. In March 2003, Respondent helped consumers Sebastian Foster and Cheryl Foster obtain a mortgage loan on their property through Custom Mortgage, Inc.
2. Respondent approached the Fosters about one half year later, after learning that the Fosters wished to sell their house at 1137 Wilson Road, Columbus, OH 43206. Respondent indicated that he wished to purchase the Fosters' house and proposed a land contract.
3. On September 2, 2003 the Fosters and Respondent entered into a land contract, entitled "Agreement for Deed (Land Contract)." The terms of the contract were as follows: Respondent would make monthly payments of \$667.62 per month to the Fosters starting October 1, 2003, purchase the Fosters' house no later than on September 2, 2004 for \$90,000 plus the remaining balance of the loans secured by the Fosters on behalf of the

Respondent, forfeit all payments made if the purchase of the property is not completed by such date or at discretion of either party and permit the Fosters to reside in the house rent free. The Fosters in return agreed to provide \$30,000 in loan to Respondent for which Respondent is liable for all interest and principal, which loan was to be secured by a lien in the amount of \$30,000 against Respondent's home at 6229 Shawnee Street, Grove City, Ohio.

4. After making only three payments, Respondent has defaulted on the terms of the above land contract and has stopped making the monthly payments pursuant to the agreement. Having defaulted, the true deceptive nature of the agreement becomes apparent. Given that various other prior liens on the Respondent's house used up the home's equity, the Fosters in effect had been induced to provide a \$30,000 unsecured loan to the Respondent.
5. R.C. 1322.07(C) states that no mortgage broker, registrant, licensee or applicant for a certificate of registration or license under sections 1322.01 to 1322.12 of the Revised Code shall engage in conduct that constitutes improper, fraudulent, or dishonest dealings. Respondent's actions constitute improper, fraudulent, or dishonest dealings in that he lacked good faith when entering into the transaction, and he used his position and knowledge as a loan officer to con his former customers into giving him an unsecured loan for \$30,000.
6. Under R.C. 1322.10(A)(1)(a), the superintendent of the Division may suspend, revoke, or refuse to issue or renew a license if the superintendent finds that the licensee has violated or failed to comply with any provisions of sections 1322.01 to 1322.12 of the Ohio Mortgage Broker Act or the rules under those sections or any other law applicable to the business conducted under a certificate of registration.
7. By inducing his former customers the Fosters into giving him an unsecured loan for \$30,000, Respondent Sudhir Chand has engaged in conduct that constitutes improper, fraudulent, or dishonest dealings and has violated 1322.07(C).
8. By inducing his former customers the Fosters into giving him an unsecured loan for \$30,000, Respondent Sudhir Chand has demonstrated that his financial responsibility, experience, character, and general fitness is not such as to 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 sections 1322.01 to 1322.12 of the Revised Code.
9. By Respondent's violations of R.C. § 1322.07(C), Respondent has failed to comply with the provisions of the Ohio Mortgage Broker Act and revocation of his license and a fine is proper pursuant to R.C. § 1322.10(A).

WHEREAS, Respondent has failed to respond and request a hearing in writing to the Division within thirty (30) days of the mailing of the above-referenced Notice of Opportunity for a Hearing in this matter as required by the notice provided pursuant to R.C. Chapter 119, and

WHEREAS, the Notice issued by the Division properly informed Respondent of the Division's intent to revoke his loan officer license and assess a fine of \$1,000, as well as informed him of his opportunity for a hearing.

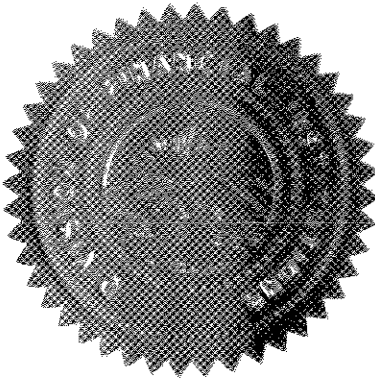
NOW THEREFORE, the Division adopts the facts set forth in the allegations as true, and finds and holds that the acts set forth therein establish that Respondent has violated R.C. 1322.07(C) and has failed to demonstrate sufficient character and general fitness as required by R.C. 1322.041(A)(5).

It is hereby ORDERED and DECREED that:

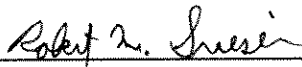
- A. Respondent Sudhir Chand's loan officer license be and hereby is revoked.
- B. Respondent Sudhir Chand be and hereby is assessed a fine of \$1,000 pursuant to R.C. 1322.10(A)(2). Such fine shall be due and owing upon the entry of this Order and shall be made payable to the Ohio Superintendent of Financial Institutions for deposit in accordance with R.C. 1322.21.

#### **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 10<sup>th</sup> day of August, 2004.

  
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**ROBERT M. GRIESER**  
Deputy Superintendent for Consumer Finance  
Division of Financial Institutions  
Ohio Department of Commerce