

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

In the matter of: ) Case No. M2010-18  
)  
**RICHARD E. BLOOM** ) **Notice of Intent to Revoke Loan Officer License**  
4017 Blueberry Hollow Road ) **Notice of Intent to Impose Fine**  
Gahanna, OH 43230 ) &  
) **Notice of Opportunity for a Hearing**  
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**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 ("OMBA"), codified in Ohio Revised Code ("R.C.") Chapter 1322. In accordance therewith, the Division is accountable for the registration of loan officers.

**RESPONDENT**

**RICHARD E. BLOOM** ("Respondent") is an individual who holds a loan officer license issued pursuant to R.C. Chapter 1322. Respondent's address of record is 4017 Blueberry Hollow Road, Gahanna, Ohio 43230. Respondent's loan officer number is LO.006448. Respondent has no employer of record, and his license is in escrow.

**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 and impose a FINE.

**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 it finds that the licensee has violated "or failed to comply with any provisions 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 or license."
- B. The Division is authorized by R.C. 1322.10(A)(2) to "[i]mpose of fine of not more than one thousand dollars, for each day a violation of law or rule is committed, repeated or continued. If the registrant or licensee engages in a pattern of repeated violations of law or rule, the Division may impose a fine of not more than two thousand dollars for each day the violation is committed, repeated, or continued."

- C. The Division is authorized by R.C. 1322.06(A) to examine mortgage broker records that “[pertain] to business transacted pursuant to sections 1322.01 to 1322.12 of the Revised Code.”
- D. Ohio Admin. Code 1301: 8-7-11(A)(2) requires a loan officer to file a transfer application when he wants to reactivate his license and to transfer the license from escrow to a registrant.
- E. R.C. 1322.031(E)(2) prior to January 1, 2010 permitted a mortgage broker registrant to employ a loan officer on a temporary basis pending the transfer of that loan officer’s license to that mortgage broker if the mortgage broker received written confirmation from the Division that the loan officer is licensed.
- F. Ohio Admin. Code 1301: 8-7-11(B) authorizes a loan officer to originate mortgage loans for a new employer when the Division prints a new license identifying the new employer or, after submission of a complete transfer application, when the new employer receives written confirmation from the Division in accordance with R.C. 1322.031(E)(2) [R.C. 1322.031(H)(2) after January 1, 2010].
- G. R.C. 1322.07(C) prohibits any licensee from engaging in conduct that constitutes improper, fraudulent or dishonest dealings.
- H. On or about May 3, 2008, Respondent renewed his loan officer license in escrow.
- I. In a letter dated July 2, 2008, the Division informed Respondent that because he renewed his loan officer license in escrow, “[he would] not be issued a printed a license until [he was] employed by a company registered under the OMBA and transfer [his] license to that company. [Respondent] may not work as a mortgage broker loan officer while [his] license [was] in escrow.”
- J. At no time after Respondent renewed his license in escrow in 2008, did he submit an application to transfer his license to any mortgage broker registered under the OMBA.
- K. Pursuant to R.C. 1322.06(A), on July 29, 2009, the Division conducted an examination of mortgage broker registrant American Mortgage Express Financial Service, Inc. d/b/a American Mortgage Express (“American Mortgage Express”). American Mortgage Express was assigned certificate of registration MB.801638. During the course of the examination, the Division examiner found that three mortgage refinance loans on primary residences were originated by Respondent.
- L. The records obtained during the examination indicated that on or about November 5, 2008, Respondent originated a federal housing administration refinance loan on the primary residence of a borrower named Rosenau.
- M. The records obtained during the examination indicated that on or about December 15, 2008, Respondent originated a conventional mortgage refinance loan on the primary residence of a borrower named White.
- N. The records obtained during the examination indicated that on or about January 16, 2009, Respondent originated a conventional mortgage refinance loan on the primary residence of a borrower named Langley.

- O. On or about April 30, 2009, Respondent renewed his loan officer license in escrow.
- P. In a letter dated June 16, 2009, the Division informed Respondent that because he renewed his loan officer license in escrow, “[he would] not be issued a printed a license until [he was] employed by a company registered under the OMBA and transfer [his] license to that company. [Respondent] may not work as a mortgage broker loan officer while [his] license [was] in escrow.”
- Q. At no time after Respondent renewed his license in escrow in 2009, did he submit an application to transfer his license to any mortgage broker registered under the OMBA.

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

- 1. Respondent’s actions as alleged herein constitute violations of R.C. 1322.07(C).
- 2. Respondent violated R.C. 1322.031(E)(2), as effective in 2008 and 2009, and Ohio Admin. Code 1301: 8-7-11(A) which requires a loan officer to transfer his license from escrow to a registrant and Ohio Admin. Code 1301: 8-7-11(B), which prohibits a loan officer from working for a new employer until his license has been transferred to the new employer or written confirmation of temporary authority to work has been obtained.
- 3. Because Respondent violated or failed to comply with R.C. 1322.031(E)(2), as effective in 2008 and 2009, and Ohio Admin. Code 1301: 8-7-11(A) and (B) and R.C. 1322.07(C), the Division is authorized under R.C. 1322.10(A)(1)(a) to revoke Respondent’s loan officer license.
- 4. Because Respondent violated R.C. 1322.031(E)(2), as effective in 2008 and 2009, and Ohio Admin. Code 1301: 8-7-11(A) and (B), and R.C. 1322.07(C), the Division is authorized under R.C. 1322.10(A)(2) to impose a fine upon Respondent.
- 5. Because Respondent committed violations of R.C. 1322.031(E)(2), as effective in 2008 and 2009, and Ohio Admin. Code 1301: 8-7-11(A) and (B), and R.C. 1322.07(C), the Division may impose a fine up to two thousand dollars (\$2,000.00) for each of Respondent’s violations.
- 6. Because Respondent violated R.C. 1322.031(E)(2), as effective in 2008 and 2009, and Ohio Admin. Code 1301: 8-7-11(A) and (B), and R.C. 1322.07(C), Respondent’s loan officer license should be revoked pursuant to 1322.10 (A)(1)(a) and a fine of three thousand dollars (\$3,000.00) should be imposed pursuant to R.C. 1322.10(A)(2).
- 7. A fine of three thousand dollars (\$3,000.00) is reasonable, appropriate and necessary.

**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 and imposing a fine of three thousand dollars (\$3,000.00).

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: Lori A. Massey, Consumer Finance Attorney, 77 South High Street, 21<sup>st</sup> 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. At the hearing, a corporation must have a representative that is permitted to practice before the Agency, such as an attorney.

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 and imposing a fine in the amount of three thousand dollars (\$3,000.00).

Signed and sealed this 12<sup>th</sup> day of April, 2010.

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**LEIGH A. WILLIS**

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