

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

In the matter of:	)	Case No. M2008-600
	)	
<b>ELDRIDGE MORTGAGE</b>	)	<b><u>DIVISION ORDER</u></b>
<b>COMPANY, INC.</b>	)	
3613 Lee Road	)	<b>Denial of Mortgage Broker Certificate</b>
Shaker Heights, Ohio 44120	)	<b>of Registration Renewal</b>
	)	<b>&amp;</b>
	)	<b>Notice of Appellate Rights</b>

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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;

On or around November 18, 2008, the Division of Financial Institutions issued notice to Eldridge Mortgage Company, Inc. ("Respondent") that the Division intended to deny its mortgage broker certificate of registration renewal application because its president and operations manager had: (1) on or about August 16, 2007, in the Common Pleas Court of Cuyahoga County, Ohio, in *State of Ohio v. Edward Eldridge*, Case No. CR-07-498756-A, entered a guilty plea to the amended charge of attempted drug possession, wherein the court accepted Respondent's president and operations manager's guilty plea and sentenced him to time served; (2) made false statements of or omitted material facts on his 2008 renewal application in violation of R.C. 1322.07(A), (B), and (C); and (3) lacked the character and fitness to allow renewal of its certificate of registration pursuant to R.C. 1322.04(A)(10) and (B)(3).

Respondent requested an administrative hearing, which was held on January 15, 2009. Respondent was represented by counsel. A Report and Recommendation was filed with the Division on February 20, 2009, recommending the Division approve Respondent's certificate of registration renewal application. (A copy of the Report and Recommendation is attached hereto). No objections were filed.

In accordance with R.C. 119.09, the Division has considered the record, consisting of the Report and Recommendation, the transcript of testimony and exhibits, as well as all applicable laws. As a result, the Division makes the following findings and conclusions. Any finding and/or conclusion not specifically addressed below is approved, adopted and incorporated herein.

The Division disapproves paragraphs 19 and 34-38 of the Report and the Recommendation on page 7 for the following reasons. Respondent's president and operations manager was convicted of and pleaded guilty to attempted drug possession in August 2007.

(Report pp. 2-3 paragraphs 7-8). In or about April 2008, Respondent failed to disclose that its president and operations manager had been convicted of attempted drug possession on the renewal application when asked to report whether in the past sixteen months if any owner, officer or operations manager of the registrant had been charged with, convicted of or pleaded guilty to any state or federal criminal offense. Report p. 5 paragraph 26, State's Ex. I). The Division's Notice issued to Respondent based denial upon Violations of R.C. 1322.07(A), (B) and (C) as well as lack of character and fitness. It is not necessary to find that Respondent intended to violate R.C. 1322.07 in order for the Division to deny issuance of a loan officer license or a mortgage broker certificate of registration. *Hockenberry v. Ohio Dept. of Commerce* (2007), 173 Ohio App. 3d 331, 336-337, 878 N.E. 2d 662, 666-667; *Bellante v. Ohio Dept. of Commerce*, Cuyahoga App. No. 86712, 2006 Ohio 2472. Therefore, Respondent's president and operations manager's testimony that he did not intend to violate R.C. 1322.07 is not persuasive. The evidence presented at the hearing shows that Respondent's president and operations manager stood in open court with his attorney as a judge advised him of his constitutional rights and the penalties associated with his crime and his guilty plea. (Report p. 2 paragraph 7, State's Ex. J). Yet, Respondent's president and operations manager claims he did not understand that he was being charged with a crime. Respondent's failure to disclose his conviction constituted a violation of R.C. 1322.07(A), (B) and (C). (Report p. 5 paragraphs 27-29).

The Division has weighed the evidence and finds that Respondent violated R.C. 1322.07(A), (B) and (C), and fails to meet the character and fitness requirement for renewal set forth in R.C. 1322.04(A)(10) and (B)(3). Accordingly, the Division hereby denies the mortgage broker certificate of registration renewal application of Eldridge Mortgage Company, Inc.

It is so ordered.

### **NOTICE OF RIGHT TO APPEAL**

Respondent is hereby notified that pursuant to R.C. 119.12, this Order may be appealed 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, pursuant to R.C. 119.12, 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, 2009.

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**LEIGH A. WILLIS**

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