

Bob Taft
Governor

Doug White
Director

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

In the matter of:

Scott G. Johnson
2482 Reginald Ct.
Powell, OH 43065

) Case No. M2006-9992826
)
)
) **DIVISION ORDER**
) **Denial of Loan Officer License**
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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, 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, Scott G. Johnson ("Respondent") applied to the Division for a loan officer license pursuant to R.C. Chapter 1322; and

WHEREAS, on June 7, 2006, the Division issued Respondent a Notice of Intent to Deny 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. On March 15, 2006, Respondent applied to the Division for a loan officer license working for Streamline Mortgage Service, LLC. On April 20, 2006, Respondent filed a loan officer transfer application seeking to transfer his application to Freedom Banc Mortgage Services, Inc.
2. R.C. 1322.041 provides that the superintendent may issue a loan officer license if certain conditions are met by the applicant. Among the stated conditions is "the applicant's character and general fitness 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." R.C. 1322.041(A)(5).
3. According to R.C. 1322.041(A)(2), a condition of licensure is that the applicant complies with sections 1322.01 to 1322.12 of the Revised Code.

4. Respondent has previously applied for and obtained a loan officer license three times.
 - (a) Respondent obtained a loan officer license to work for Tower Mortgage Corporation on October 2, 2003. Respondent took the exam required by R.C. 1322.051(B) twice, failing it both times. Consequently, the license terminated by operation of law on or about December 31, 2003.
 - (b) Respondent reapplied and obtained a loan officer license to work for Tower Mortgage Corporation on January 9, 2004. Respondent took but failed the exam required by R.C. 1322.051(B) on or about February 24, 2004. Respondent passed the exam on or about March 2, 2004. Meanwhile, Respondent transferred his license in 2004 to Apex Mortgage Service, LLC. Respondent renewed his license in 2004 but failed to renew his license in 2005. Consequently, Respondent's license expired on April 30, 2005.
 - (c) Respondent reapplied and obtained a loan officer license to work for Amerifirst Mortgage Mortgatopia, LLC on August 16, 2005. Respondent did not take the exam required by R.C. 1322.051(B). Consequently, his loan officer license terminated by operation of law on November 14, 2005. Scott G. Johnson never transferred his license to Streamline Mortgage Service, LLC. Scott G. Johnson has never been authorized under the Ohio Mortgage Broker Act to work for Streamline Mortgage Service, LLC.
5. R.C. 1322.031(E)(2) states: "If a loan officer's employment is terminated, the mortgage broker shall return the original license to the superintendent within five business days after termination. The licensee may request the transfer of the license to another mortgage broker by submitting a relocation application, along with a fifteen dollar fee, to the superintendent or may request the superintendent in writing to hold the license in escrow for a period not to exceed one year. Any licensee whose license is held in escrow shall cease activity as a loan officer."
6. On October 28, 2006, the Division received Respondent's loan officer license from Amerifirst Mortgage Mortgatopia LLC pursuant to R.C. 1322.031(E)(2), placing Respondent's license in escrow. Pursuant to R.C. 1322.031(E)(2), after October 28, 2005, Respondent was not authorized to act as a loan officer while his license was in escrow.
7. On or about March 10, 2006, the Division issued a subpoena to Streamline Mortgage Service, LLC requesting it to produce all loan files on which Scott G. Johnson acted as salesperson or originator for September 2005 through March 2006 and all payroll records for Scott G. Johnson for the years 2005 and 2006.
8. In response to subpoena by the Division, Streamline Mortgage Service, LLC provided documentation indicating that Scott G. Johnson acted as a loan officer in assisting two consumers in obtaining a mortgage in October 2005 and December 2005, during a period he was not authorized under the Ohio Mortgage Broker Act to act as a loan

officer. Streamline Mortgage Service, LLC also provided to the Division records indicating Scott G. Johnson was paid commissions for his work as a loan officer. Documents obtained by the Division show:

- a. Respondent assisted Tasha Hines in obtaining a mortgage loan secured by real estate located at 846 Wainwright Ave., Columbus, OH 43224, while working for Streamline Mortgage Service, LLC. He originated the loan on or about October 15, 2005. The loan closed on November 28, 2005.
 - b. Respondent assisted John Tolley IV in obtaining a mortgage loan secured by real estate located at 1402 Boston Rd., Nashport, OH 43830, while working for Streamline Mortgage Service, LLC. He originated the loan on or about December 15, 2005 and the loan closed on or about January 20, 2006.
9. By assisting consumers in obtaining mortgages during a period his license was in escrow, Respondent violated R.C. 1322.031(E)(2).
 10. R.C. 1322.02(B) states: "No person, on the person's own behalf or on behalf of any other person, shall act as a loan officer without first having obtained a license from the superintendent." By assisting consumers in obtaining mortgages during a period he did not hold a license, Respondent violated R.C. 1322.02(B).
 11. Due to Respondent's violations of R.C. 1322.02(B) and R.C. 1322.031(E)(2), Respondent does not meet the conditions of licensure in R.C. 1322.041(A)(2).
 12. Due to Respondent's violations of R.C. 1322.02(B), the superintendent cannot find that Respondent's character and general fitness 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. Consequently, Respondent does not meet the conditions for obtaining a loan officer license according to R.C. 1322.041(A)(5).
 13. According to R.C. 1322.10(A)(1)(a) the superintendent of financial institutions may refuse to issue a license for a violation of or failure to comply with any provision of sections 1322.01 to 1322.12 of the Revised Code or rules adopted under those sections.

WHEREAS, Respondent has failed, despite service, 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

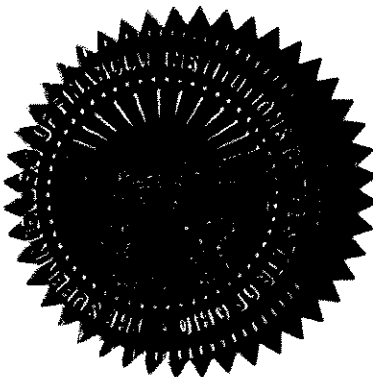
WHEREAS, the Notice issued by the Division properly informed Respondent of the Division's intent to revoke his loan officer license, as well as informed him of his opportunity for a hearing.

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. 1322.02(B), R.C. 1322.031(E)(2) 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 Respondent Scott G. Johnson's loan officer license be and hereby is denied.

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 27th day of July, 2006.

Robert M. Grieser

ROBERT M. GRIESER

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