

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

In the matter of:) Case No. 05-0104MBR
)
RONALD A. BROOKS) Notice of Intent to Revoke
D.B.A. Action Funding Group) Mortgage Broker Certificates of Registration
5234 Montgomery Rd.) &
Norwood, Ohio 45212) 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 administering and enforcing the Ohio Mortgage Broker Act, codified in Ohio Revised Code ("R.C.") Chapter 1322, and the rules adopted thereunder.

RESPONDENT

RONALD A. BROOKS, D.B.A. ACTION FUNDING GROUP ("Respondent") holds an active mortgage broker certificate of registration, MB #2200. Respondent's main business office is at his residence at 5234 Montgomery Rd., Norwood, Ohio 45212, there are no authorized branch offices. Ronald A. Brooks also serves as the registrant's operations manager.

NOTICE OF PROPOSED ACTION

In accordance with R.C. §1322.10(A)(1)(a), and pursuant to R.C. Chapter 119, the Division intends to **REVOKE** Respondent's mortgage broker certificates of registration.

BASIS FOR PROPOSED ACTION

Pursuant to R.C. § 1322.10(B), the Division conducted an investigation of Respondent, and as a result thereof, alleges the following:

1. In accordance with R.C. § 1322.10(A)(1)(a), the superintendent of the Division may revoke a mortgage broker certificate of registration if the superintendent finds that the registrant has violated or failed to comply with any provisions of sections 1322.01 to 1322.12 of the Ohio Revised Code or the rules under those sections or any other law applicable to the businesses conducted under a certificate of registration.
2. In accordance with R.C. § 1322.07(C), a registrant is prohibited from engaging in conduct that constitutes improper, fraudulent, or dishonest dealings.
3. In accordance with R.C. § 1322.07(D), a registrant must notify the Division within thirty days after the registrant is convicted or pleads guilty to any criminal offence involving money in a court of competent jurisdiction in this or any other state.
4. On May 21, 2004 a criminal indictment was filed against Respondent in Hamilton County, Ohio charging two counts of theft involving elderly persons in connection certain mortgage transactions pursuant to R.C. § 2913.02(A)(3).

5. The basis of the criminal action was that Respondent had in two separate mortgage transactions in 2001 indicated that he could assist two elderly homeowners in arranging refinancing to payoff their existing mortgages and property tax bills. However, instead of arranging for such refinancing Respondent had these homeowners sign notes to pay the Respondent, further he had these homeowners transfer their deeds into his name, and then had them sign a land contract whereby they were to make monthly payments to the Respondent.
6. Respondent, however, did not payoff these two homeowners existing mortgages according to the indictment, nor did he forward the money being paid to him under the land contracts to the proper mortgage note holders. Instead, Respondent merely pocketed the money paid over to him under the purported land contracts. The purpose and effect of Respondent's scheme was intended to strip the equity from the two properties. For due to nonpayment the two homes would go into foreclosure, and as putative owner of the properties through the transfer of the deeds, Respondent, would, had the homes been sold at foreclosure, be seemingly entitled to any equity the two victims had built up in their properties over the years.
7. On October 28, 2004 Respondent plead guilty to the lesser crime of two counts of attempted violation of R.C. § 1321.52(A)(1)(a) which prohibits a person from soliciting or holding oneself out as being engaged in making second mortgage loans. These violations are misdemeanors in the first degree, and Respondent was given a 90 day jail sentence which was suspended conditioned upon compliance with his one year probation. Respondent, prior to sentencing, had reached an out-of-court civil settlement with the two homeowners for monies owed and had cancelled the loan notes and the land contracts and returned the deeds.
8. The Division as of March 1, 2005 had not been notified by the Respondent of his criminal plea, notwithstanding that it has been over thirty days from said plea's entry and the matter concerns a criminal offense involving money.

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

1. Respondent's conduct and misrepresentations with respect to the two mortgage transactions as set forth above constitute improper and dishonest dealings in violation of the Ohio Mortgage Broker Act section 1322.07(C).
2. Respondent's attempt to solicit and hold himself out as being able to provide mortgage loans in violation of R.C. § 1321.52(A) constitutes improper and dishonest dealings in violation of the Ohio Mortgage Broker Act section 1322.07(C).
3. Respondent's failure to disclose the entry of his criminal plea of October 28, 2004 to the Division within thirty days is in violation of the Ohio Mortgage Broker Act section 1322.07(D).

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 certificate of registration MB #2200.

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: Timothy Winslow—Staff Attorney, 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 his 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 certificates of registration.



Signed and sealed this 9th day of March, 2005.

Robert M. Grieser

ROBERT M. GRIESER

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

CERTIFIED MAIL