

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

In the matter of:	)	
<b>THE OLD LIGHTHOUSE</b>	)	Case No. 03-MB-D-09-03
<b>MORTGAGE COMPANY, INC.</b>	)	
<b>127 N. Main Street</b>	)	<b>Notice of Intent to Deny Renewal of</b>
<b>Mount Gilead, OH 43338</b>	)	<b>Mortgage Broker Certificate of Registration</b>
	)	<b>&amp;</b>
	)	<b>Notice of Opportunity for a Hearing</b>
	)	
	)	

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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 enforcing the Ohio Mortgage Broker Act, codified in Ohio Revised Code ("R.C.") Chapter 1322.

The Old Lighthouse Mortgage Company, Inc. ("Respondent") is an Ohio corporation registered with the Ohio Secretary of State to conduct business in this state. In April 2003, Respondent submitted a renewal application to the Division for a mortgage broker certificate of registration pursuant to R.C. Chapter 1322. The main business address of record for Respondent is 127 N. Main Street, Mt. Gilead, Ohio 43338, which operates under certificate MB 3038.

**ALLEGATIONS**

Pursuant to R.C. §§ 1322.03(B) and 1322.10(B), the Division conducted an investigation of the Respondent mortgage broker renewal applicant, and as a result thereof, alleges the following:

Darrell Tate is the primary owner and President of Respondent, The Old Lighthouse Mortgage Company, Inc., an Ohio corporation headquartered at 127 N. Main Street, Mt. Gilead, Ohio 43338. Mr. Tate acquired the company from Ja'ree Ward in late November 2001. Ms. Ward had also acted as the company's Operations Manager. Ms. Ward resigned as the Respondent's Operations Manager on or about February 20, 2002.

In connection with its change of ownership application to the Division in 2002, Respondent submitted, in accordance with R.C. §§ 1322.03(A)(7) and 1322.04(B)(3) along with the rules thereunder, a disclosure form stating that Darrell Tate had never been convicted of or pleaded guilty to any criminal offense.

In truth and fact, Darrell Tate was convicted of a misdemeanor count of Petty Theft in Cuyahoga County, Ohio in 1981 and was given a thirty day suspended sentence. In addition, Mr. Tate was charged with felony theft in Franklin County in January 2001 and later that year pled to a misdemeanor count of Theft and received a sixty-four day suspended sentence. Each of these counts

constitutes a criminal offense involving theft as set forth in R.C. §§ 1322.03(A)(7) and 1322.10(A)(1)(b).

As primary owner and president of The Old Lighthouse Mortgage Company, Inc., Mr. Tate owns 90% of Respondent's corporate shares. Based on the nature and extent of Mr. Tate's ownership interest, Mr. Tate is a person who must meet the requirements of (A)(7), (A)(8), and (A)(10) of R.C. § 1322.04(A). Given Mr. Tate's position in the company as set forth herein, the Respondent cannot disavow knowledge of his convictions and pleas.

In Respondent's 2002 change of ownership submission, Mr. Tate attested falsely that he had not been convicted of any criminal offense. Nor was the Division made aware of the fact that in 1990 Darrell Tate had also been indicted on a misdemeanor charge of Passing Bad Checks in Franklin County and pursuant to an agreement had been placed in a pretrial diversion program. It was only through the criminal background check conducted by the Division that Respondent's owner's criminal indictments, conviction, and pleas became known. These acts of concealment and false swearing constitute improper, fraudulent, or dishonest dealings, in violation of R.C. § 1322.07(C) and further constitute an omission of material fact through which a certificate of registration was obtained in violation of R.C. § 1322.07(A).

In addition, Respondent failed, until March 6, 2003, to qualify any other person to act as its Operations Manager after the February 2002 resignation of Ja'ree Ward, nor was anyone else after such time licensed to act as a loan officer on behalf of Respondent until August 27, 2003. Yet despite not having either a Operations Manager or licensed Loan Officer, Respondent continued for over a year to conduct business and broker mortgage loans in violation of R.C. §§ 1322.02(B), 1322.03(A)(3) and 1322.04(D).

### **FINDINGS**

The Division has determined, based on the facts as set forth in the allegations above, that Darrell Tate is a principal shareholder of the Respondent who must meet the requirements of R.C. § 1322.04(A)(7), (8), and (10).

Based upon the facts as set forth in the allegations above, the Division has determined that Respondent, The Old Lighthouse Mortgage Company, Inc., has had a principal shareholder convicted of a theft offense that disqualifies the Respondent from receiving a renewal of its certificate of registration pursuant to R.C. §§ 1322.04(A)(7) and 1322.04(B)(3), and further warrants refusal to issue the renewal of such certificate pursuant to R.C. § 1322.10(A)(1)(b).

Based upon the facts as set forth in the allegations above, the Division has further determined that Respondent, The Old Lighthouse Mortgage Company, Inc., does not have the required character and general fitness to command the confidence of the public and warrant the belief that the business will be operated honestly and fairly in compliance with the Mortgage Broker Act pursuant to R.C. § 1322.04(A)(10) and that denial of renewal is warranted pursuant to R.C. § 1322.04(B)(3).

In addition, based upon the facts as set forth in the allegations above, the Division has determined that Respondent, The Old Lighthouse Mortgage Company, Inc., has by its concealment of its corporate officer's criminal record engaged in improper, fraudulent, or dishonest dealings in violation of R.C. § 1322.07(C); has conducted business without an operations manager in violation of R.C. §§ 1322.03(A)(3) and 1322.04(D); has undertaken mortgage broker activities through unlicensed loan officers in violation of R.C. § 1322.02(B); and has omitted material information in its change of ownership application in 2002 in violation of R.C. § 1322.07(A), each above-stated violation justifying a refusal to issue a renewal of such certificate pursuant to R.C. § 1322.10(A)(1)(a).

### **PROPOSED ACTION**

Based upon the allegations and findings above, the Division intends to DENY renewal of the Mortgage Broker Certificate of Registration for THE OLD LIGHTHOUSE MORTGAGE COMPANY, INC.

### **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 DENYING the renewal of the mortgage broker certificate of registration application of THE OLD LIGHTHOUSE MORTGAGE COMPANY, INC.

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:

State of Ohio  
Department of Commerce  
Division of Financial Institutions  
Attn: Attorney Timothy C. Winslow  
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.

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 DENYING the renewal of the mortgage broker certificate of registration application of THE OLD LIGHTHOUSE MORTGAGE COMPANY, INC.

Signed and Sealed this 17<sup>th</sup> day of September, 2003.



ROBERT M. GRIESER

Deputy Superintendent for Consumer Finance

Cc: Timothy C. Winslow, In House Counsel—Division of Financial Institutions  
Paula Paoletti, Asst. Attorney General, Business & Government Regulation

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