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STATE OF OHIO
DEPARTMENT OF COMMERCE
DIVISION OF FINANCIAL INSTITUTIONS

IN THE MATTER OF:	:	CASE NO. M2010-490
	:	
JOSEPH C. PEJSA,	:	
	:	LISA M. FINNEGAN
RESPONDENT.	:	HEARING OFFICER
	:	

ADMINISTRATIVE HEARING OFFICER'S
REPORT AND RECOMMENDATION
Issued October 8, 2010

I. FINDINGS OF FACT

A. Background

1. This matter came before Lisa M. Finnegan, an attorney licensed to practice law in Ohio, and duly appointed by the Ohio Department of Commerce, Division of Financial Institutions ("*Division*"), to serve as Hearing Officer for this hearing in accordance with the Ohio Administrative Procedure Act, Ohio Revised Code ("*R.C.*") Chapter 119. The Division held the hearing on September 28, 2010 at 77 South High Street, 21st Floor, Columbus, Ohio, 43215.

2. The Division held the hearing to consider the July 28, 2010 Notice of Intent to Refuse Loan Originator License Renewal and Notice of Opportunity for a Hearing ("*NOH*"). The Division alleged that Joseph C. Pejsa ("*Respondent*") failed to comply with R.C. 1322.052, as it was in effect in 2009, because he failed to complete at least six hours of approved continuing education during the 2009 calendar year. The Division intends to refuse to renew Respondent's loan originator license for this reason.

3. Jennifer S.M. Croskey, Esq., an Assistant Attorney General with the Executive Agencies Section of the Ohio Attorney General's Office, represented the Division at the hearing. Respondent appeared *pro se* at the hearing and waived his right to counsel. Stephen E. DeFrank, Jr., Esq. testified on behalf of the Division. Respondent testified on his own behalf. The Division introduced and the Hearing Officer admitted State's Exhibits 1 through 6 without objection into the record at the hearing. Respondent did not introduce any exhibits. The Hearing Officer closed the record at the conclusion of the hearing.

B. Jurisdiction and Procedural Matters

4. On July 28, 2010, the Division issued the NOH notifying Respondent that the Division intended to refuse to renew his loan originator license. The NOH also notified

Respondent that he had an opportunity for a hearing on the matter if he requested a hearing within thirty days of the date of the mailing of the NOH. *State's Exhibit 1*.

5. The Division sent the NOH by certified mail, return receipt requested, to Respondent's address of record with the Division. The Division perfected service on July 24, 2010. *State's Exhibit 1; Testimony of Respondent, Transcript ("Tr.") at 10-11*.

6. On August 19, 2010, Respondent requested a hearing. *State's Exhibit 2; Testimony of Respondent, Tr. at 10*.

7. On August 23, 2010, the Division mailed a notice to Respondent setting the matter for hearing on August 30, 2010. Within the same notice, the Division rescheduled the hearing for September 28, 2010. *State's Exhibit 3*. Respondent acknowledged that he received the notice. *Testimony of Respondent, Tr. at 10-11*.

8. The Division held the hearing on the date and time, and at the location specified in the August 23, 2010 hearing notice.

C. Respondent's Loan Originator License

9. Respondent has held a Mortgage Broker Loan Officer License (also known as a "loan originator license") issued by the Division to originate residential mortgage loans pursuant to R.C. Chapter 1322 since January 3, 2006 (license number LO.029458). *State's Exhibit 4*.

10. Respondent's loan originator license was set to expire on April 30, 2010. *State's Exhibit 4; Testimony of Respondent, Tr. at 11*.

11. Respondent applied to renew his loan originator license prior to the April 30, 2010 expiration date. *Testimony of Respondent, Tr. at 17-18*.

12. As of January 1, 2010, all loan originators must register with the Nationwide Mortgage Licensing System and Registry ("NMLS") in order to renew a loan originator license. When a loan originator registers with the NMLS, the NMLS notifies the Division and the Division reviews the loan originator's file for any deficiencies. *Testimony of Stephen E. DeFrank, Jr., Tr. at 14-16*.

13. Stephen E. DeFrank, Jr., an attorney with the Division, testified at the hearing. Mr. DeFrank reviews loan originator files for compliance with the Ohio Revised Code and the Ohio Administrative Code. *Testimony of Stephen E. DeFrank, Jr., Tr. at 13*.

14. After Respondent registered with the NMLS, Mr. DeFrank reviewed Respondent's loan originator file and found noncompliance with his 2009 continuing education requirement. *Testimony of Stephen E. DeFrank, Jr., Tr. at 13-16*.

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15. The Ohio Mortgage Broker Act requires all loan originators to complete continuing education during the calendar year that they hold a license. As a license holder in 2009, Respondent was required to complete six hours of continuing education for the 2009 calendar year. *R.C. 1322.052*.

16. On May 26, 2010, the Division sent a letter to Respondent notifying him that he had not fulfilled his 2009 continuing education requirement. *State's Exhibit 5; Testimony of Respondent, Tr. at 11-12*.

17. Respondent was aware that he was required to complete six hours of continuing education for calendar year 2009. *Testimony of Respondent, Tr. at 9*.

18. Respondent admitted that he did not complete six hours of continuing education in calendar year 2009. Respondent has been unable to attend classes due to caring for an immediate family member who is terminally ill. *Testimony of Respondent, Tr. at 18-19*.

19. Respondent has previously complied with the continuing education requirement and has never had any complaints against him in connection with his license. Respondent intends to complete his continuing education courses and pay any required fines. He requested the Division's assistance in resolving the matter in order to renew his license and return to work. *Testimony of Respondent, Tr. at 18-19*.

II. CONCLUSIONS OF LAW

20. The Division has procedurally complied with R.C. Chapter 119 and has established jurisdiction over this matter.

21. The Division is responsible for the licensing and regulation of loan originators pursuant to the Ohio Mortgage Broker Act, R.C. Chapter 1322.

22. The Division may renew a loan originator license annually if the licensee meets the requirements of R.C. 1322.041(B). One of the requirements of R.C. 1322.041(B) is that the licensee must complete approved continuing education in accordance with R.C. 1322.052.

23. R.C. 1322.052, as it was in effect for 2009, required that loan originators licensed by the Division complete six hours of approved continuing education courses during each calendar year.

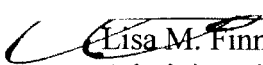
24. R.C. 1322.10(A)(1)(a) authorizes the Superintendent of the Division to refuse to renew a loan originator license if the Superintendent finds that a licensee failed to comply with any provision of R.C. 1322.01 to 1322.12.

25. Respondent's failure to complete six hours of approved continuing education courses for calendar year 2009 constitutes a violation of R.C. 1322.052. Accordingly, the Division is authorized to refuse to renew Respondent's loan originator license pursuant to R.C. 1322.10(A)(1)(a) for his non-compliance with R.C. 1322.052.

III. RECOMMENDATION

Based upon the evidence submitted into the record for this case, the Division has established a sufficient evidentiary basis to refuse to renew Respondent's loan originator license pursuant to R.C. 1322.10(A)(1)(a) because Respondent failed to comply with R.C. 1322.052 for calendar year 2009. Therefore, the Hearing Officer respectfully recommends that the Superintendent of the Division refuse to renew Respondent's loan originator license.

Respectfully submitted,



Lisa M. Finnegan (0033537)
Administrative Hearing Officer
October 8, 2010