

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

In the matter of:)	Case No. M2007-683
)	
MLSG, INC.)	<u>DIVISION ORDER</u>
10615 Professional Circle)	Denial of Second Mortgage Lender Renewal
Reno, NV 89511)	&
)	Notice of Appellate Rights
)	

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 Loan Act, as codified in Ohio Revised Code ("R.C.") Chapter 1321, 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 Loan Act; and

WHEREAS, MLSG, Inc. ("Respondent") is a foreign corporation that holds a certificate of registration issued by the Division to conduct business in Ohio as a second mortgage lender pursuant to R. C. Chapter 1321.

WHEREAS, on November 19, 2007, the Division issued Respondent a Notice that informed it that the Division had intended to deny Respondent's second mortgage lender renewal application, and alleged that:

1. On or about June 7, 2007, Respondent filed an application with the Division to renew its certificate of registration to conduct business in the State of Ohio as a second mortgage lender under R.C. Sections 1321.51 to 1321.60, of the Ohio Mortgage Loan Act.
2. In accordance with R.C. 1321.54(B), the superintendent of the Division may refuse to renew a second mortgage lender's certificate of registration if the superintendent finds that the registrant has committed a violation of the Ohio Mortgage Loan Act, and continued to do so despite being put on notice of the violation.
3. R.C. 1321.53(A)(1) requires every foreign business entity registered as a second mortgage lender in the State of Ohio to maintain a license or registration with the Ohio Secretary of State in order to transact business in this state.
4. R.C. 5733.20 requires the Ohio Secretary of State to cancel a corporation's Articles of Incorporation upon certification by the Ohio Department of Taxation of such corporation's failure to file a return or failure to pay the appropriate tax or fee.
5. R.C. 5733.20 provides that, upon cancellation, "all the powers, privileges, and franchises conferred upon such corporation by such articles of incorporation or by

- such certificate of authority shall cease,” subject to R.C. 1701.88, which proscribes that the corporation “shall cease to carry on business and shall do only such acts as are required to wind up its affairs, or to obtain reinstatement...”
6. On or about February 6, 2007, Respondent was notified by the Ohio Secretary of State that the Secretary has cancelled the Articles of Incorporation/Certificate of Authority issued to Respondent, in accordance with R.C. 5733.20, due to Respondent’s nonpayment of the corporate franchise tax within the time required by law.
 7. On or about July 27, 2007, the Division sent a letter to Respondent notifying it of the cancellation and of the need to resolve the deficiency.
 8. On or about September 20, 2007, the Division sent a second letter to Respondent notifying it of the cancellation, and of the urgent need to resolve the deficiency.
 9. As of the date of this Notice, the Respondent’s Articles of Incorporation/Certificate of Authority are still cancelled, and the Respondent has failed to correct the violation of R.C. 1321.53(A)(1).
 10. As of February 6, 2007, Respondent is no longer authorized to conduct business in the State of Ohio.

WHEREAS, the Notice informed Respondent of the Division’s intent to refuse to renew its second mortgage lender certificate of registration and of the opportunity for a hearing regarding the revocation if requested within thirty days from the mailing of the Notice. The Notice further cautioned Respondent that “[i]f the Ohio Division of Financial Institutions d[id] not receive a written request for a hearing in its offices within thirty (30) days of the time of the mailing of th[e] Notice, the Superintendent w[ould] issue an order denying Respondent’s second mortgage lender renewal application [;]”

WHEREAS, the Notice was mailed to Respondent, via certified mail, on November 19, 2007, and service was perfected;

WHEREAS, Respondent failed to request a hearing and thereby failed to defend against the Division’s allegations;

WHEREAS, the Division finds that the allegations contained in the Notice are true and that Respondent’s renewal application should be denied;

Respondent, MLSG, Inc.’s renewal application is hereby 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 December 2007.

LEIGH A. WILLIS

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