

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:	)	
	)	Case No. <b><u>2007-134MBR</u></b>
<b>UNITED MORTGAGE GROUP, INC</b>	)	
7271 Engle Road, Suite 200	)	
Middleburg Heights, OH 44130	)	<b>Notice of Intent to Revoke</b>
	)	<b>Mortgage Broker Registration &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 and the rules adopted thereunder.

**RESPONDENT**

Respondent United Mortgage Group, Inc. was issued mortgage broker certificate of registration (MB # 3090) by the Division pursuant to R.C. 1322. Respondent's address of record is 7271 Engle Road, Suite 200, Middleburg Heights, Ohio 44130.

**NOTICE OF PROPOSED ACTION**

In accordance with R.C. 1322.10, and pursuant to R.C. Chapter 119, the Division intends to REVOKE Respondent's certificate of registration.

**ALLEGATIONS**

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

1. On June 30, 2004 Nancy J. and Donald E. Smith ("Plaintiffs" or "Smith") filed a civil complaint against Respondent and two other defendants in the Portage County Common Pleas Court ("the Court"). The Smith Complaint was designated Case No. 04-CV-719. The Smith lawsuit alleged that Respondent committed fraud in connection with a June 2004 mortgage home loan refinance transaction.

2. On June 24, 2005 the Court entered default judgment against Respondent in response to a Motion Plaintiffs filed as a result of Respondent's failure to plead or appear in the lawsuit.
3. On July 26, 2005 Respondent filed a Motion for Reconsideration and Motion to Vacate the entry of default judgment. On page three of its Memorandum in Support of its Motion, Respondent plead that "The first time United Mortgage learned of Plaintiffs' complaint and the subsequent default judgment was on or about July 13, 2005, when Plaintiffs mailed a copy to it at its correct business address."
4. On September 29, 2005 Respondent filed an Answer to Plaintiffs' Complaint.
5. On October 13, 2005 the Court vacated the default judgment granted against Respondent.
6. On January 10, 2006 the Court granted Respondent's Counsel's Motion to Withdraw as Counsel.
7. On April 28, 2006 officers of Respondent signed its 2006 Mortgage Broker Renewal Application attesting that the statements of all information requested within the renewal application were complete, truthful and correct.
8. Question Number 8 on the renewal application states: "Has the registrant or any owner, partner, shareholder, member, officer, director, operations manager been named in any civil or administrative action that involved insurance, securities, or consumer or real estate lending or brokering? Include pending actions."
9. Respondent answered "No" to Question Number 8.
10. On July 10, 2006, the Division issued a mortgage broker certificate of registration renewal to Respondent.
11. On August 23, 2006 the Court issued an Order and Journal Entry granting judgment in favor of Plaintiffs Smith against Respondent in the amount of \$128,650.00.
12. The Ohio Revised Code 1322.07 states in part:

No mortgage broker, registrant ... or applicant for a certificate of registration ... under sections 1322.01 to 1322.12 of the Revised Code shall...

(A) [o]btain a certificate of registration or license through any false or fraudulent representation of a material fact or any omission of a material fact required by state law, or make any substantial misrepresentation in any registration or license application.

13. Respondent has violated R.C. 1322.07(A) by making a false or misleading representation of a material fact, omitting a material fact required by law and/or making a substantial misrepresentation on a registration application.
14. According to R.C. 1322.10(A)(1), the Superintendent of Financial Institutions may revoke a certificate of registration if the superintendent finds a violation of or failure to comply with any provision of R.C. 1322.01 to R.C. 1322.12.

### **FINDINGS**

1. By making a false or misleading representation of a material fact, omitting a material fact required by law and/or making a substantial misrepresentation on a registration application, Respondent has violated R.C. 1322.07(A).
2. Based upon the authority granted pursuant to R.C. § 1322.10(A)(1) and Respondent's violation of R.C. 1322.07(A), the superintendent may revoke Respondent's certificate of registration.

### **PROPOSED ACTION**

Based upon the allegations and findings above, the Division intends to REVOKE the certificate of registration of United Mortgage Group, Inc. (MB# 3090).

### **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 the certificate of registration of United Mortgage Group, Inc. (MB# 3090).

**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 to:**

**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 by its 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 REVOKING the certificate of registration of United Mortgage Group, Inc. (MB# [3090](#)).

Signed and Sealed this 26<sup>th</sup> day of March, 2007.

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Richard F. Keck  
Acting Deputy Superintendent of Financial Institutions

cc: Timothy C. Winslow, In House Counsel—Division of Financial Institutions  
Matthew J. Lampke, Assistant Attorney General, Executive Agencies