

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. 04-0101-LOR
CHARLES A. YURCH)
82 Landings Way) Notice of Intent to Assess Fine and Revoke
Avon Lake, OH 44012) Loan Officer License &
) 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 enforcing the Ohio Mortgage Broker Act, codified in Ohio Revised Code ("R.C.") Chapter 1322, and the rules adopted thereunder.

RESPONDENT

Respondent Charles A. Yurch ("Respondent") holds an active loan officer license (LO# 006388) issued by the Division pursuant to R.C. 1322. Respondent's employer of record is CMS Home Loans, Ltd. at the main office address of 940 Lorain Blvd. Elyria, OH 44035 and certificate of registration number MB 2950. Respondent's home address of record is 82 Landings Way, Avon, OH 44012 and his date of birth is October 27, 1962.

NOTICE OF PROPOSED ACTION

In accordance with R.C. 1322.10, and pursuant to R.C. Chapter 119, the Division intends to ASSESS A FINE and REVOKE Respondent's loan officer license.

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. From approximately January 14, 2003 until February 17, 2004 Beth Negray worked for CMS Home Loans, Ltd. as its Operations Manager.
2. Charles Yurch is Beth Negray's husband and an owner of CMS Home Loans, Ltd. and has been the primary owner at all times relevant to this action. Charles

Yurch is also licensed with the Division as a loan officer, (LO# 006388) with CMS Home Loans, Ltd.

3. On July 30, 2002, Beth Negray applied for a mortgage through First Nations Mortgage Banc. Her application for this loan stated that she was employed by CMS Home Loans, Ltd., 36966 Detroit Road, Avon, OH 44011.
4. As part of Beth Negray's mortgage loan application process a written Request for Verification of Employment was sought and obtained by the lender. This Request for Verification of Employment was dated on August 6, 2002. It was signed by Charles Yurch, President, and stated that Beth Negray had been employed by CMS Home Loans, Ltd. since June 7, 2002 as the Operations Manager.
5. Beth Negray was deposed as part of a civil lawsuit on September 8, 2003. During this deposition, she testified that she was unemployed from June 7, 2002 through August 1, 2002. Beth Negray testified that she started working on August 1, 2002 for a different mortgage broker, First Nations Mortgage Banc.
6. Charles Yurch was deposed as a part of the same lawsuit on July 16, 2003. During his deposition, Charles Yurch testified that Beth Negray has been Operations Manager of CMS Home Loans, Ltd. since November of 2002.
7. The records of the Division show that Beth Negray wrote the Division on August 15, 2002, notifying the Division that she was currently working as Operations Manager for First Nations Mortgage of Ohio, Inc.
8. On January 15, 2003, CMS Home Loans, Ltd. submitted to the Division a request to change the Operations Manager to Beth Negray. This application indicated that Beth Negray worked at CMS Home Loans, Ltd. as Operations Manager starting November 15, 2002. On this application, Beth Negray disclosed that she worked for First Nations Mortgage of Ohio from August 1, 2002 until November 15, 2002 as Operations Manager.
9. R.C. 1322.07(C) states that no mortgage broker, registrant, licensee or applicant for a certificate of registration or license under sections 1322.01 to 1322.12 of the Revised Code shall engage in conduct that constitutes improper, fraudulent, or dishonest dealings.
10. R.C. 1322.07(E) states that no mortgage broker, registrant, licensee, or applicant for a certificate of registration or license under sections 1322.01 to 1322.12 of the Revised Code shall knowingly make, propose, or solicit fraudulent, false, or misleading statements on any mortgage document or on any document related to a mortgage, including a mortgage application, real estate appraisal, or real estate settlement or closing document.

11. Under R.C. 1322.10(A)(1), the superintendent of the Division may revoke a license if the superintendent finds a violation of or failure to comply with any provision of sections 1322.01 to 1322.12 of the Revised Code or the rules adopted under those sections or any other law applicable to the business conducted under a certificate of registration.
12. By signing the Request for Verification of Employment on August 6, 2002 for Ms. Negray's mortgage that falsely stated she worked for CMS Home Loans, Ltd. as Operations Manager on this date Charles Yurch violated R.C. 1322.07(C) and 1322.07(E).

FINDINGS

Based upon the allegations above, the Division determines the following:

1. By signing a Verification of Employment document related to Beth Negray's mortgage stating that Beth Negray was working for CMS Home Loans, Ltd. when she was not working at CMS Home Loans, Ltd., Respondent Charles A. Yurch knowingly made fraudulent, false, or misleading statements on a mortgage document or on a document related to a mortgage; therefore Charles A. Yurch has violated R.C. 1322.07(E).
2. By signing a Verification of Employment document related to Beth Negray's mortgage containing false statements, Respondent Charles A. Yurch engaged in conduct that constitutes improper, fraudulent, or dishonest dealings in violation of R.C. 1322.07(C).
3. By Respondent's violations of R.C. § 1322.07(C) Respondent has failed to comply with the provisions of the Ohio Mortgage Broker Act and revocation of his license and a fine is proper pursuant to R.C. § 1322.10(A)(1).

PROPOSED ACTION

Based upon the allegations and findings above, the Division intends to REVOKE the loan officer license of Charles A. Yurch (LO# 006388) and LEVY A FINE in the amount of \$10,000 for the violation of R. C 1322.07(C) and R.C. 1322.07(E).

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 loan officer license of Charles A. Yurch (LO# 006388) and to impose a FINE of \$10,000.

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, 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 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 loan officer license LO# 006388 and assessing a FINE of \$10,000.

Signed and Sealed this _____ day of _____, 2004.

Robert M. Grieser
Deputy Superintendent of Financial Institutions

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

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