

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

In the matter of:	)	Case No. M2005-999548
	)	
<b>CHARLES E. CRAWFORD, II</b>	)	<b><u>DIVISION ORDER</u></b>
1941 Alda Court	)	<b>Denial of Loan Officer License Application</b>
Dayton, OH 45459	)	<b>&amp;</b>
	)	<b>Notice of Appellate Rights</b>

---

Respondent, Charles E. Crawford, II (“Respondent”), submitted a loan officer license application (“Application”) to the Division of Financial Institutions (“Division”) on August 9, 2005. On May 19, 2006, the Division notified Respondent that it intended to deny his Application because: (1) in or around 1989, in the Circuit Court of Kenton County, Kentucky, Respondent was convicted of receiving stolen property of a value of \$100 or more, a class D felony; (2) in or around 1990, in the Montgomery County, Ohio, Court of Common Pleas, Respondent was convicted of aggravated robbery, a first degree felony; (3) Respondent had not proven that he is honest, truthful, and of good reputation, and that there is no basis in fact for believing that he will not commit another criminal offense involving theft or any criminal offense involving money or securities; (4) in 2005, Respondent attested in a sworn statement that information he provided about his criminal background in the Application was complete and truthful when it was not; (5) in 2005, in an attempt to obtain a loan officer license, Respondent provided untruthful information about his criminal background to the Division; (6) he violated R.C. 1322.07(A) by making a material misrepresentation in the Application; (7) he violated R.C. 1322.07(B) by making a false statement of a material fact or by omitting a statement required by state law in the Application; (8) he violated R.C. 1322.07(C), which prohibits an applicant from engaging in improper or dishonest conduct; and (10) because his character and general fitness did not command the confidence of the public and warrant the belief that the business will be operated honestly and fairly in compliance with the purposes of R.C. 1322.01 to 1322.12—the Ohio Mortgage Broker Act.

Respondent requested an administrative hearing, which was held on September 12, 2006. Respondent appeared without counsel. A Report and Recommendation (“Report”) was filed

with the Division on February 9, 2007, recommending that the Division deny Respondent's application. No objections were filed.

In accordance with R.C. 119.09, the Division has considered the record, consisting of the Report, the transcript of testimony and exhibits, as well as all applicable laws. As a result, the Division makes the following findings and conclusions. Any finding and/or conclusion not specifically addressed below is approved, adopted, and incorporated herein. (A copy of the Report is attached).

The Division disapproves paragraphs 8 and 9 on page 6 of the Report.

Respondent was convicted of felony receiving stolen property and felony aggravated robbery and did not disclose the convictions when specifically asked to do so in the Application. (State's Exs. 1 and 4-6). Question 6 of the Application asked Respondent:

Have you been convicted of or pleaded guilty to any criminal offense involving theft, receiving stolen property, embezzlement, forgery, fraud, passing bad checks, money laundering, or drug trafficking, or any criminal offense involving money or securities?

(State's Ex. 1). Respondent answered "No." (Id.).

Respondent testified that he was not trying to deceive the state. (Tr., p. 51). However, Respondent tried to convince the state that he disclosed the convictions in response to the multistate questionnaire, which, he asserted, was submitted simultaneously with the Application. (Tr., p. 29). In fact, the multistate questionnaire was issued to Respondent after the Division received his application, reviewed his criminal background report, and discovered that Respondent had an out-of-state conviction. (State's Ex. 4). After Respondent's testimony as to this fact was contradicted by another witness, Respondent conceded that he submitted the multistate questionnaire after he filed the Application. (Tr., 32-35). So, not only did Respondent fail to tell the truth in the Application, he also failed to speak truthfully in the hearing. Because of these recent acts of dishonesty, the Division cannot find that Respondent is honest, truthful, and of good reputation pursuant to R.C. 1322.041(A)(3).

The interpretation of R.C. 1322.07 in the Report is in error. R.C. 1322.07(A), (B), and (C) do not require a deliberative act for their violation. In contrast to 1322.07(E) and (F), which contain language of intent by use of the term "knowingly," R.C. 1322.07(A), (B), and (C) do not employ such language. (See *Shehabi v. Ohio Dept. of Comm.* (Feb. 26, 2007), Trumbull C.P. No 2006 CV 1930, unreported). Accordingly, an applicant that fails to carefully read and answer each question in a loan officer application, swears to its veracity, and then files such application

with the Division is in violation of R.C. 1322.07(A), (B), and (C) when such answer is patently untrue. The Division finds that Respondent violated R.C. 1322.07(A), (B), and (C) by failing to disclose his felony convictions despite being directly asked to do so in the Application.

Additionally, Respondent's alleged failure to carefully read the Application evidences a lack of the requisite fitness needed of a loan officer. On a daily basis loan originators deal with consumers' personal financial information and counsel them on what is most often their largest financial investment. Being able to comprehend, evaluate and explain complicated mortgage documents is a vital part of the job. By not taking the Application seriously, Respondent has demonstrated to the Division that he does not hold the requisite fitness required of a loan officer. For this reason and Respondent's violations of R.C. 1322.07(A), (B), and (C), the Division finds that Respondent's character and general fitness do not command the confidence of the public and warrant the belief that the business will be operated honestly and fairly in compliance with the purposes of the Ohio Mortgage Broker Act. R.C. 1322.041(A)(5).

For the reasons stated above, the Division hereby denies the Application of Charles E. Crawford, II.

It is so ordered.

#### **NOTICE OF APPELLATE RIGHTS**

Respondent is hereby notified that pursuant to R.C. 119.12, this Order may be appealed 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, pursuant to R.C. 119.12, 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 30<sup>th</sup> day of March 2007.

---

**RICHARD F. KECK**

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