

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

In the matter of:	)	Case No. M2010-18
	)	
<b>RICHARD E. BLOOM</b>	)	<b><u>DIVISION ORDER</u></b>
4017 Blueberry Hollow Road	)	<b>Cancellation of Loan Originator License and</b>
Gahanna, OH 43230	)	<b>Imposition of Fine</b>
	)	<b>&amp;</b>
	)	<b>Notice of Appellate Rights</b>
	)	

---

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 Broker Act, as codified in Ohio Revised Code ("R.C.") Chapter 1322 and finds that this Order is necessary and appropriate, in the interest of the public, and is consistent with the purposes of the Ohio Mortgage Broker Act; and

On April 12, 2010, the Division issued **RICHARD E. BLOOM** ("Respondent") a Notice that informed him that the Division conducted an investigation of Respondent and, as a result thereof, alleged that:

- A. The Division is authorized by R.C. 1322.10(A)(1)(a) to revoke a loan officer license if it finds that the licensee has violated "or failed to comply with any provisions 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 or license."
- B. The Division is authorized by R.C. 1322.10(A)(2) to "[i]mpose of fine of not more than one thousand dollars, for each day a violation of law or rule is committed, repeated or continued. If the registrant or licensee engages in a pattern of repeated violations of law or rule, the Division may impose a fine of not more than two thousand dollars for each day the violation is committed, repeated, or continued."
- C. The Division is authorized by R.C. 1322.06(A) to examine mortgage broker records that "[pertain] to business transacted pursuant to sections 1322.01 to 1322.12 of the Revised Code."
- D. Ohio Admin. Code 1301: 8-7-11(A)(2) requires a loan officer to file a transfer application when he wants to reactivate his license and to transfer the license from escrow to a registrant.
- E. R.C. 1322.031(E)(2) prior to January 1, 2010 permitted a mortgage broker registrant to employ a loan officer on a temporary basis pending the transfer of that loan officer's license to that mortgage broker if the mortgage broker received written confirmation from the Division that the loan officer is licensed.

- F. Ohio Admin. Code 1301: 8-7-11(B) authorizes a loan officer to originate mortgage loans for a new employer when the Division prints a new license identifying the new employer or, after submission of a complete transfer application, when the new employer receives written confirmation from the Division in accordance with R.C. 1322.031(E)(2) [R.C. 1322.031(H)(2) after January 1, 2010].
- G. R.C. 1322.07(C) prohibits any licensee from engaging in conduct that constitutes improper, fraudulent or dishonest dealings.
- H. On or about May 3, 2008, Respondent renewed his loan officer license in escrow.
- I. In a letter dated July 2, 2008, the Division informed Respondent that because he renewed his loan officer license in escrow, “[he would] not be issued a printed a license until [he was] employed by a company registered under the OMBA and transfer [his] license to that company. [Respondent] may not work as a mortgage broker loan officer while [his] license [was] in escrow.”
- J. At no time after Respondent renewed his license in escrow in 2008, did he submit an application to transfer his license to any mortgage broker registered under the OMBA.
- K. Pursuant to R.C. 1322.06(A), on July 29, 2009, the Division conducted an examination of mortgage broker registrant American Mortgage Express Financial Service, Inc. d/b/a American Mortgage Express (“American Mortgage Express”). American Mortgage Express was assigned certificate of registration MB.801638. During the course of the examination, the Division examiner found that three mortgage refinance loans on primary residences were originated by Respondent.
- L. The records obtained during the examination indicated that on or about November 5, 2008, Respondent originated a federal housing administration refinance loan on the primary residence of a borrower named Rosenau.
- M. The records obtained during the examination indicated that on or about December 15, 2008, Respondent originated a conventional mortgage refinance loan on the primary residence of a borrower named White.
- N. The records obtained during the examination indicated that on or about January 16, 2009, Respondent originated a conventional mortgage refinance loan on the primary residence of a borrower named Langley.
- O. On or about April 30, 2009, Respondent renewed his loan officer license in escrow.
- P. In a letter dated June 16, 2009, the Division informed Respondent that because he renewed his loan officer license in escrow, “[he would] not be issued a printed a license until [he was] employed by a company registered under the OMBA and transfer [his] license to that company. [Respondent] may not work as a mortgage broker loan officer while [his] license [was] in escrow.”
- Q. At no time after Respondent renewed his license in escrow in 2009, did he submit an application to transfer his license to any mortgage broker registered under the OMBA.

As a result of the findings listed above, the Division has determined that:

1. Respondent's actions as alleged herein constitute violations of R.C. 1322.07(C).
2. Respondent violated R.C. 1322.031(E)(2), as effective in 2008 and 2009, and Ohio Admin. Code 1301: 8-7-11(A) which requires a loan officer to transfer his license from escrow to a registrant and Ohio Admin. Code 1301: 8-7-11(B), which prohibits a loan officer from working for a new employer until his license has been transferred to the new employer or written confirmation of temporary authority to work has been obtained.
3. Because Respondent violated or failed to comply with R.C. 1322.031(E)(2), as effective in 2008 and 2009, and Ohio Admin. Code 1301: 8-7-11(A) and (B) and R.C. 1322.07(C), the Division is authorized under R.C. 1322.10(A)(1)(a) to revoke Respondent's loan officer license.
4. Because Respondent violated R.C. 1322.031(E)(2), as effective in 2008 and 2009, and Ohio Admin. Code 1301: 8-7-11(A) and (B), and R.C. 1322.07(C), the Division is authorized under R.C. 1322.10(A)(2) to impose a fine upon Respondent.
5. Because Respondent committed violations of R.C. 1322.031(E)(2), as effective in 2008 and 2009, and Ohio Admin. Code 1301: 8-7-11(A) and (B), and R.C. 1322.07(C), the Division may impose a fine up to two thousand dollars (\$2,000.00) for each of Respondent's violations.
6. Because Respondent violated R.C. 1322.031(E)(2), as effective in 2008 and 2009, and Ohio Admin. Code 1301: 8-7-11(A) and (B), and R.C. 1322.07(C), Respondent's loan officer license should be revoked pursuant to 1322.10 (A)(1)(a) and a fine of three thousand dollars (\$3,000.00) should be imposed pursuant to R.C. 1322.10(A)(2).
7. A fine of three thousand dollars (\$3,000.00) is reasonable, appropriate and necessary.

The Notice also informed Respondent that he had thirty (30) days to request an adjudicatory hearing pursuant to R.C. Chapter 119 regarding the Division's allegations set forth in the Notice.

Respondent requested an administrative hearing, which was scheduled for June 22, 2010. Respondent failed to appear at the hearing. The hearing officer's Report and Recommendation (the "Report and Recommendation") was filed with the Division on July 8, 2010 (a copy is attached). The Report and Recommendation recommended that the Division revoke Respondent's loan officer license and impose a \$3,000.00 fine. Respondent filed objections on July 26, 2010.

In accordance with R.C. 119.09, the Division has considered the record, consisting of the Report and Recommendation, the transcript of testimony and exhibits, the objections filed, as well as all applicable laws. Following its review of the record, the Division hereby modifies the hearing officer's recommendation. Any finding and/or conclusion not specifically addressed below is approved, adopted and incorporated herein.

Because Respondent did not submit an application to renew his loan originator's license by April 30, 2010, Respondent's loan originator's license was cancelled by operation of law. Therefore,

in lieu of revocation, the Division has accepted the cancellation of Respondent's loan originator license by operation of law.

Respondent Richard E. Bloom's loan originator license is CANCELLED by operation of law and a three thousand dollar (\$3,000.00) FINE is hereby imposed.

Respondent, Richard E. Bloom, is hereby ordered to pay the Division a fine in the amount of three thousand hundred dollars (\$3,000.00). Payment shall be in the form of a cashier's check or money order, made payable to "Treasurer of State," and, within ninety (90) days of Respondent's receipt of this Order, shall be submitted with a copy of this Order to: Ohio Division of Financial Institutions, Attn: Lori A. Massey, Consumer Finance Attorney, 77 South High Street, 21<sup>st</sup> Floor, Columbus, Ohio 43215-6120.

IT IS SO ORDERED.

**NOTICE OF APPELLATE RIGHTS**

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 31<sup>st</sup> day of August, 2010.

---

**LEIGH A. WILLIS**

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