

**STATE OF OHIO
DEPARTMENT OF COMMERCE
DIVISION OF FINANCIAL INSTITUTIONS
77 South High Street, 21st Floor
Columbus, Ohio 43215-6120**

In the matter of:

**Home123 Corporation
3351 Michelson Drive
Suite 400
Irvine, CA 92612**

)
) **Case No. 07-0011MBF**
)
)
) **Notice of Intent to Fine**
) **Mortgage Broker & 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 Home123 Corporation ("Respondent") is a California corporation that holds an active mortgage broker certificate of registration issued by the Division pursuant to R.C. 1322. Respondent's parent New Century Financial Corporation acquired the loan origination assets of RBC Mortgage Corporation in August 2005 from its parent corporation Royal Bank of Canada. RBC Mortgage Corporation was a company formerly licensed to conduct mortgage broker business in Ohio by the Division. Following the acquisition Respondent began to operate at certain locations of RBC Mortgage Corporation, including its former branch in Cincinnati. The business address of record for Respondent is 3351 Michelson Drive, Suite 400, Irvine, CA 92612 with certificate of registration number MB 803449. Respondent operates several authorized mortgage broker branch offices in Ohio including one at 8845 Governors Hill Dr., Suite 130, Cincinnati, OH with certificate number MB 803449.012.

NOTICE OF PROPOSED ACTION

In accordance with R.C. 1322.10(A)(2), and pursuant to R.C. Chapter 119, the Division intends to FINE the Respondent.

BASIS FOR PROPOSED ACTION

Pursuant to R.C. 1322.10(B), the Division conducted an investigation into the affairs of Respondent, after Respondent voluntarily disclosed and reported potential compliance matters it had discovered, and as a result thereof, alleges the following:

1. According to R.C. 1322.02(B), no “person, on the person's own behalf or on behalf of any other person, shall act as a loan officer without first having obtained a license from the superintendent.”
2. Respondent had unlicensed loan officers at its Cincinnati branch office to broker mortgage loans subject to the Ohio Mortgage Broker Act in violation of R.C. § 1322.02(B).
3. R.C. 1322.07(C) prohibits a registrant or applicant for a certificate of registration from “[e]ngage[ing] in conduct that constitutes improper, fraudulent, or dishonest dealings.”
4. Respondent’s use of unlicensed loan officers to broker loans subject to the Ohio Mortgage Broker Act is an improper business practice in violation of R.C. § 1322.07(C).

FINDINGS

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

1. Respondent’s loan officers brokered loans in violation of 1322.02(B) of the Ohio Mortgage Broker Act.
2. Respondent’s use of unlicensed loan officers to broker loans subject to the Ohio Mortgage Broker Act was an improper business practice in violation of R.C. § 1322.07(C).
3. Pursuant to R.C. 1322.10(A)(2), the Superintendent of Financial Institutions may assess a fine 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.

PROPOSED ACTION

Based upon the allegations and findings above, the Division intends to issue an ORDER ASSESSING A FINE against the Respondent, Home123 Corporation, mortgage broker certificate of registration number MB 803449, in the amount permitted by law as set forth in R.C. § 1322.10(B).

NOTICE OF OPPORTUNITY FOR A HEARING ON PROPOSED ACTION

Therefore, pursuant to R.C. Chapters 1322 and 119, Respondent is hereby notified that thirty (30) days from the date of the mailing of this Notice, the Superintendent intends to issue an ORDER ASSESSING A FINE against the Respondent, Home123 Corporation (MB 803449).

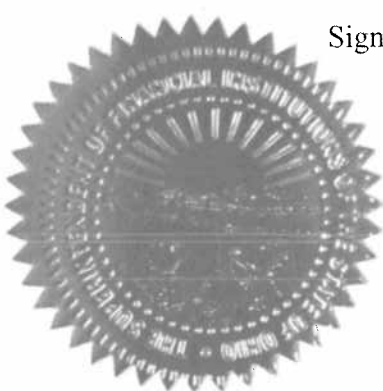
Respondent is further notified, pursuant to R.C. Chapter 119, that Respondent is entitled to a hearing on this matter. If Respondent desires to request a hearing, the request must be made in writing, and must be received in the offices of the Ohio Division of Financial Institutions within thirty (30) 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 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 ASSESSING A FINE against the Respondent, Home123 Corporation, mortgage broker certificate of registration number MB 803449, in the amount permitted by law as set forth in R.C. § 1322.10(B).

Signed and Sealed this 5th day of January, 2007.



Robert M. Grieser

Robert M. Grieser
Deputy Superintendent of Financial Institutions

cc: Timothy C. Winslow, In House Counsel—Division of Financial Institutions
Matt Lampke, Asst. Attorney General, Business & Government Regulation