

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

In the matter of:)	Case No. M2007-652
)	
CHERYL L. WOLCOTT)	Notice of Intent to Revoke Mortgage Broker Registration
dba Pyramid Financial Services)	&
6465 Monroe Street, Suite 204-A)	Notice of Opportunity for a Hearing
Sylvania, OH 43560)	
)	

JURISDICTION

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, codified in Ohio Revised Code ("R.C.") Chapter 1322. In accordance therewith, the Division is accountable for the registration of mortgage brokers.

RESPONDENT

CHERYL L. WOLCOTT dba PYRAMID FINANCIAL SERVICES ("Respondent") is a sole proprietor who holds a certificate of registration to engage in business as a mortgage broker pursuant to R.C. Chapter 1322. Respondent's business address of record is 6465 Monroe Street, Suite 204-A, Sylvania, Ohio 43560.

NOTICE OF PROPOSED ACTION

In accordance with sections 1322.04 and 1322.10 of the R.C., and R.C. Chapter 119, the Division intends to REVOKE Respondent's mortgage broker certificate of registration.

BASIS FOR PROPOSED ACTION

The Division has conducted an investigation of Respondent, pursuant to R.C. 1322.10(B), and has found the following:

- A. The Division is authorized by R.C. 1322.10(A)(1)(a) to revoke a mortgage broker certificate of registration if the Division finds that the applicant 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[.]"
- B. R.C. 1322.01(E) defines "loan officer" as an employee who originates mortgage loans in consideration of direct or indirect gain, profit, fees, or charges.
- C. R.C. 1322.01(C) defines an "employee" as an individual for whom a mortgage broker, in addition to providing a wage or salary, pays social security and unemployment taxes, provides workers' compensation coverage, and withholds local, state, and federal income taxes.
- D. On or about April 11, 2006, Leonard A. Mathis began employment as a loan officer with Respondent, who failed to pay social security and unemployment taxes, did not provide

workers' compensation coverage, and did not withhold local, state, and federal income taxes on behalf of Mr. Mathis.

- E. Leonard A. Mathis did not receive a W-2 Wage and Tax Statement from Respondent for calendar years 2005 and 2006.
- F. R.C. 1322.07(C) prohibits a registrant from engaging in conduct that constitutes improper, fraudulent, or dishonest dealings.
- G. On or about May 4, 2007, in response to a subpoena duces tecum issued to Respondent by the Division, Respondent provided the Division with fraudulent W-2 Wage and Tax Statements for calendar years 2005 and 2006 that were allegedly issued to Mr. Mathis.

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

- 1. By failing to employ a loan officer as an employee, as set forth in paragraphs D and E, Respondent violated R.C. 1322.01(C) and (E).
- 2. By providing the Division with fraudulent W-2 Wage and Tax Statements, as set forth in paragraph G, Respondent violated R.C. 1322.07(C), which prohibits a registrant from engaging in fraudulent and improper conduct.
- 3. Because Respondent violated or failed to comply with R.C. sections 1322.01(C) and (E) and 1322.07(C), the Division is authorized under R.C. 1322.10(A)(1)(a) to revoke Respondent's mortgage broker certificate of registration.

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 Respondent's certificate of registration under the Ohio Mortgage Broker Act.

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: Ohio Division of Financial Institutions, Attn: Anthony D. Siciliano, Consumer Finance General Counsel, 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. At the hearing, a corporation must have a representative that is permitted to practice before the Agency, such as an attorney.

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 Respondent's certificate of registration.

Signed and sealed this 19th day of October 2007.

LEIGH A. WILLIS

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