

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

In the matter of:)	Case No. M2008-532
)	
ALTERNATIVE NATIONAL)	Notice of Intent to Deny Renewal of Mortgage
MORTGAGE COMPANY)	Broker Certificate of Registration and to
6120 Parkland Boulevard, Suite 302)	Impose a Fine
Mayfield Heights, Ohio 44124)	&
)	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 administering and enforcing the Ohio Mortgage Broker Act, codified in Ohio Revised Code ("R.C.") Chapter 1322, and the rules adopted thereunder.

RESPONDENT

ALTERNATIVE NATIONAL MORTGAGE CO. ("Respondent") held a mortgage broker certificate of registration issued by the Division. Its Mortgage broker certificate of registration number MB.802223 expired on April 30, 2008. Respondent's renewal application is pending. Its last known business address of record is 6120 Parkland Boulevard, Suite 302, Mayfield Heights, Ohio 44124.

NOTICE OF PROPOSED ACTION

In accordance with R.C. 1322.10, and pursuant to R.C. Chapter 119, the Division intends to DENY the RENEWAL of Respondent's mortgage broker certificate of registration and IMPOSE A FINE.

BASIS FOR PROPOSED ACTION

Pursuant to R.C. 1322.10(B), the Division conducted an investigation of Respondent, and as a result thereof, found the following:

- A. In accordance with R.C. 1322.10(A)(1)(a), the superintendent of the Division may revoke a mortgage broker certificate of registration if the superintendent finds that a mortgage broker has committed a "violation of or failure to comply with any provision of sections 1322.01 to 1322.12 of the Revised Code[.]"
- B. The Division is authorized by R.C. 1322.10(A)(2) to impose a fine upon a registrant of not more than one thousand dollars for each day a violation of a law or rule is committed, repeated, or continued. If a registrant engages in a pattern of repeated violations of a 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. R.C. 1322.02(A)(1) requires that “[a] registrant shall maintain an office location in this state for the transaction of business as a mortgage broker in this state.”
- E. Since approximately November 14, 2007, Respondent has failed to maintain a registered office in Ohio in violation of R.C. 1322.02(A)(1).
- F. Ohio Administrative Code ("OAC") 1301:8-7-19(H)(2) requires that “A registrant shall notify the superintendent of the division of financial institutions of an address change in any of the registrant’s registered offices, at least thirty days prior to the effective date[.]”
- G. Since approximately November 14, 2007, Respondent has failed to notify the Division of an address change in the registrant’s offices.
- H. R.C. 1322.06(B) requires registrants to “maintain records pertaining to business transacted pursuant to sections 1322.01 to 1322.12 of the Revised Code” and prohibits registrants from failing to comply.
- I. In a compliance examination conducted pursuant to R.C. 1322.06 on June 4, 2008, it was determined that Respondent failed to maintain an alphabetical index of buyers as required by OAC 1301:8-7-06(H)(1).
- J. In a compliance examination conducted pursuant to R.C. 1322.06 on June 4, 2008, it was determined that Respondent failed to maintain records at a registered location as required by OAC 1301:8-7-06(C).

As a result of the above findings, the Division finds:

- 1. Because Respondent violated R.C. 1322.02(A)(1), R.C. 1322.06(B), OAC 1301:8-7-06(H)(1), OAC 1301:8-7-19(H), OAC 1301:8-7-06(C), the Division is authorized under R.C. 1322.10(A)(1)(a) to deny the renewal of Respondent’s mortgage broker certificate of registration.
- 2. Because Respondent has made repeated violations of R.C. 1322.02(A)(1) and has violated OAC 1301:8-7-19(H)(2), R.C. 1322.06(B), OAC 1301:8-7-06(C) and (H)(1), a fine in the amount of thirty thousand dollars (\$30,000) is reasonable, appropriate, and necessary.

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 denying the renewal of Respondent’s mortgage broker certificate of registration and imposing a fine of thirty thousand dollars (\$30,000).

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: Ohio Division of Financial Institutions, Attn: Stephen DeFrank, Consumer Finance Attorney Examiner, 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. Note: a limited liability company must be represented by a person who is legally authorized to appear 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 denying the renewal of Respondent's mortgage broker certificate of registration and imposing a fine of thirty thousand dollars (\$30,000).

Signed and sealed this 14th day of January 2009.

LEIGH A. WILLIS

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