

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

In the matter of:	)	Case No. 04-0345-LOD
	)	
<b>MARK E. SZCZEPINSKI</b>	)	<b><u>DIVISION ORDER</u></b>
1603 Denley Avenue	)	<b>Denial of Loan Officer License Application</b>
Cleveland, Ohio 44109	)	<b>&amp;</b>
	)	<b>Notice of Appellate Rights</b>

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Respondent, Mark E. Szczepinski (“Respondent”), submitted a loan officer license application to the Division of Financial Institutions (“Division”) on June 6, 2003. On April 19, 2004 the Division notified Respondent that it intended to deny his loan officer license application because: (1) In or around 2001, the Ohio Department of Commerce, through the Division of Securities, issued a Cease and Desist Order against Respondent having found that he had sold three hundred eighteen thousand, two hundred and eighty dollars and sixty-one cents (\$318,280.61) worth of unregistered securities; knowingly misrepresented to investors the risks and suitability of investing in certain unregistered securities; engaged in fraudulent and illegal acts; and violated Ohio securities laws; (2) in or around 2002, Respondent had been indicted of a second degree felony for violating R.C. 1707.44(C)(1), which prohibits the sale of unregistered securities; and (3) 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 July 6, 2004. A Report and Recommendation was filed with the Division on September 7, 2004, recommending that the Division grant Respondent’s application. No objections were filed.

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, 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. (The Hearing Examiner’s Report and Recommendation is attached).

The Division disapproves paragraph 2 on page 5 and paragraph 4 on page 6 of the Report and Recommendation.

In the Consent Agreement with the Division of Securities, Respondent consented, stipulated, and agreed to the findings, conclusions, and orders set forth in Securities Division Order No. 01-046 (“Securities Order”). (State’s Exh. 3). As a result, Respondent admitted to the following:

[Having] misrepresented to investors the risks and suitability of investing in shares and certificates of deposit in the Cyprus Funds as investments suitable for retirement funds, and stated that it was a safe investment, however, it involved a high degree of risk not generally suitable for investing retirement funds[.]

(Id., paragraph 15). Additionally, Respondent admitted to violating R.C. 1707.44(C)(1) and (G). (Id., paragraphs 19-25). R.C. 1707.44(G) prohibits a seller of securities from knowingly engaging in any act or practice that is prohibited in R.C. Chapter 1707. R.C. 1707.44(C)(1) prohibits the sale in Ohio of unregistered securities. Thus, Respondent admitted in the Consent Agreement to have knowingly sold unregistered securities. (Id.).

In the hearing, Respondent reaffirmed his admissions in the Consent Agreement and Securities Order, stating, “I mean, the stuff in the Consent Agreement is true.” (Tr., p. 24). Respondent admitted to reading the entire Cease and Desist Order before signing the Consent Agreement, in which he stipulated and agreed to the findings and conclusions set forth in each of the Securities Order’s paragraphs. (Tr., p. 29). After making such admissions, Respondent’s protestation that he did not know the Cyprus Fund was unregistered rings untrue. He stated such in writing when he signed the Consent Agreement on February 14, 2001. (State’s Exh. 3).

Although he disputed it in the hearing, Respondent consented and agreed with the Division of Securities that he misrepresented the risks and suitability of the Cyprus Funds and that he had knowingly violated Securities law. This is troublesome, as loan officers routinely advise and guide their customers through what is often the biggest investment of their lives. In order to protect the public, the General Assembly has mandated that the Division require loan officers to meet a certain character and fitness threshold. The facts in the record concerning Respondent’s misrepresentations and violation of Ohio Securities law do not support the conclusion that Respondent’s character and general fitness command the confidence of the public and warrant the belief that the business will be carried out honestly and fairly in compliance with the Ohio Mortgage Broker Act. R.C. 1322.041(A)(5).

Accordingly, the Division hereby denies the loan officer license application of Mark E. Szczepinski.

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, 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 2nd day of August 2006.

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**ROBERT M. GRIESER**

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