

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

In the matter of:)	Case No. M2008-573
)	
JOHN A. SHALVEY)	Notice of Intent to Revoke Loan Officer License
5863 Medallion Drive West)	and Notice of Intent to Impose Fine
Westerville, Ohio 43082)	&
)	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

JOHN A. SHALVEY ("Respondent") is an individual who holds a loan officer license issued by the Division to originate residential mortgage loans pursuant to R.C. Chapter 1322. His address of record is 5863 Medallion Drive West, Westerville, Ohio 43082, and his date of birth is October 6, 1962. Respondent's employer of record is Hartford Financial Group, LLC, 565 Metro Place South, Suite 100, Dublin, Ohio 43017. Prior to his employ with Hartford Financial Group, LLC, Respondent was the sole owner and designated Operations Manager of John A. Shalvey dba The Investment Center Mortgage Co.

NOTICE OF PROPOSED ACTION

In accordance with R.C. section 1322.10, and R.C. Chapter 119, the Division intends to **REVOKE** Respondent's loan officer license and **IMPOSE A FINE** of five thousand dollars (\$5,000.00) upon Respondent.

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)(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."
- B. R.C. 1322.06(B) requires that registrants "shall maintain records pertaining to business transacted pursuant to sections 1322.01 to 1322.12 of the Revised Code, including copies of all mortgage loan origination disclosure statements prepared in accordance

with section 1322.062 of the Revised Code, for four years. No registrant shall fail to comply with this division.”

- C. Ohio Admin. Code 1301:8-7-06(A) requires that registrants “shall maintain records pertaining to business transacted pursuant to sections 1322.01 to 1322.12 of the Revised Code for four calendar years. If the loan is not serviced by the registrant, the retention period commences on the date the loan is closed or, if the loan is not closed, the date of the withdrawal or turndown of the loan application....”
- D. In or around May 2008, the Division conducted an examination of Registrant pursuant to R.C. 1322.06(A). As part of the examination, the Division’s examiner requested that Registrant produce some loan files that had been originated after May 2004.
- E. The registrant knowingly failed to produce any loan files, documents or records pertaining to business transacted pursuant to R.C. 1322.01 to 1322.12 which were originated after May 2004.
- F. Around September 2007, Respondent entered into a Letter of Acceptance, Waiver and Consent (“AWC”) with the Financial Industry Regulatory Authority (“FINRA”), which barred him from association with any member of NASD in any capacity. See, FINRA Complaint No. 2005002351201, CRD No. 1916061.
- G. Around October 2008, the Ohio Department of Commerce, Division of Securities, issued a Cease and Desist Order in *In the Matter of: John A. Shalvey, Medallion Financial Services, Inc.*, Order No. 08-126.
- H. The basis of the allegations in the AWC and Cease and Desist Order included, among other things, conduct that constituted improper, fraudulent or dishonest dealings.

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

- 1. Respondent, while acting in his capacity as the sole owner and designated operations manager of John A. Shalvey dba The Investment Center Mortgage Co., violated R.C. 1322.06(B) and O.A.C. 1301:8-7-06(A) by failing to maintain records pertaining to business transacted pursuant to sections 1322.01 to 1322.12 of the Revised Code, including copies of all mortgage loan origination disclosure statements prepared in accordance with section 1322.062 of the Revised Code, for four years.
- 2. Respondent, while acting in his capacity as the sole owner and designated operations manager of John A. Shalvey dba The Investment Center Mortgage Co., violated R.C. 1322.072(A) of the Ohio Mortgage Broker Act by knowingly failing to produce records in connection with a Division examination. By knowingly failing to produce records, Respondent also violated O.A.C. 1301:8-7-13(F) for which, pursuant to O.A.C. 1301:8-7-13(H), the superintendent may revoke Respondent's loan officer license.
- 3. Respondent’s actions, as listed above, violated R.C. 1322.07(C), which prohibits a loan officer from “[e]ngage[ing] in conduct that constitutes improper, fraudulent, or dishonest dealings.”

4. Respondent's actions as listed above show Respondent's character and general fitness do 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 the Ohio Mortgage Broker Act. See R.C. 1322.041(A)(6).
5. As a result of these violations, the Division may levy a fine of up to one thousand dollars (\$1,000.00) for each of Respondent's violations.
6. Because Respondent violated R.C. sections 1322.06(B), 1322.07(C), 1322.072(A), and Ohio Admin. Code rules 1301:8-7-06(A) and 1301:8-7-13(F), the Division is levying a fine of five thousand dollars (\$5,000.00).
7. A fine in the amount of five thousand dollars (\$5,000.00) 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 revoking Respondent's loan officer license and imposing a fine of five thousand dollars (\$5,000.00) upon Respondent.

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: Jacqueline Mallett, Consumer Finance Attorney, 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.

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 loan officer license and imposing a fine of five thousand (\$5,000.00) upon Respondent.

Signed and sealed this 28th day of October 2008.

LEIGH A. WILLIS

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