

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

In the matter of:)	Case No. M2010-71
)	
REAL ESTATE MORTGAGE CORP.)	ORDER OF SUMMARY SUSPENSION,
20325 Center Ridge Road, Suite 220)	NOTICE OF INTENT TO REFUSE RENEWAL
Rocky River, OH 44116)	&
)	NOTICE OF HEARING

DIVISION ORDER

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

WHEREAS, Real Estate Mortgage Corp. ("Respondent") is a company that 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 20325 Center Ridge Road, Suite 220, Rocky River, Ohio 44116 and it conducts business under certificate of registration number MB.802908; and

WHEREAS, R.C. 1322.10(F)(1)(b) provides that the Division may, in the public interest, suspend, without a prior hearing, the certificate(s) of registration of a mortgage broker registrant that fails to maintain its bond as required by R.C. 1322.05(A) and (F); and

WHEREAS, Respondent is without a bond in violation of R.C. 1322.05(A) and (F), and it is in the public interest to suspend Respondent's certificate(s) of registration pursuant to its authority under R.C. 1322.10(F)(1)(b); and

Pursuant to R.C. 1322.10(F)(1)(b), mortgage broker certificate of registration number MB.802908 issued to Respondent is hereby SUSPENDED.

It is so ordered.

**NOTICE OF INTENT TO REFUSE RENEWAL OF MORTGAGE BROKER
CERTIFICATE OF REGISTRATION**

In accordance with section 1322.10 of the R.C., and R.C. Chapter 119, the Division intends to REFUSE to renew 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 refuse to renew a mortgage broker certificate of registration if the Division finds that the registrant has violated "or fail[ed] 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[.]"
- B. Respondent holds certificate of registration number MB.802908.
- C. R.C. 1322.05(A) provides in part: "No registrant shall conduct business in this state unless the registrant has obtained and maintains in effect at all times a corporate surety bond issued by a bonding company or insurance company authorized to do business in this state."
- D. R.C. 1322.05(F) provides: "No registrant... shall fail to comply with this section. Any registrant... that fails to comply with this section shall cease all mortgage broker... activity in this state until the registrant... complies with this section."
- E. On February 8, 2010, the Division received notice of the proposed cancellation of the bond (bond no. 45BSBDY9812) issued by the Hartford Fire Insurance Company to cover Respondent's mortgage broker business as required by R.C. 1322.05.
- F. Because Respondent failed to comply with R.C. 1322.05, the Division is authorized under R.C. 1322.10(A)(1)(a) to refuse to renew Respondent's mortgage broker certificate of registration.
- G. Among the conditions that the Division must find in order to renew a registrant's certificate of registration, the Division must find that the renewal applicant's "character and general fitness 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 sections 1322.01 to 1322.12 of the Revised Code."
- H. Section 1301:8-7-21(D) provides that in determining "character and general fitness" as used in R.C. 1322.04 (A)(10), the Division shall consider whether the registrant "has been the subject of any... revocation... by any state or federal agency granted disciplinary or regulatory authority by state or federal law."
- I. On or about August 5, 2008, Respondent's mortgage broker license was revoked by the state of Indiana.
- J. Question 6 of the 2009 OMBA renewal application asked Respondent: "Have the Mortgage Broker, Operations Manager, any owner or any officer been subject to any

federal, state or military criminal or administrative investigation or order?" Respondent answered "No" to that question.

- K. R.C. 1322.07(A) prohibits a registrant from making a substantial misrepresentation in a registration application.
- L. R.C. 1322.07(C) prohibits a registrant from engaging in conduct that constitutes improper, fraudulent or dishonest dealings.
- M. Respondent's actions as listed in paragraph J violated R.C. 1322.07(A) and (C).
- N. Because Respondent's mortgage broker license was revoked by the state of Indiana and Respondent violated R.C. 1322.07(A) and (C), Respondent does not satisfy the character and fitness requirement for renewal as set forth in R.C. 1322.04(A)(10) and (B)(3).

NOTICE OF HEARING

Therefore, pursuant to R.C. 1322.10(F)(1)(b), R.C. Chapter 119 and Section 1301:8-7-27 of the Ohio Administrative Code, Respondent is hereby notified that a hearing shall be held on **Thursday, April 8, 2010 at 10:00 a.m.** on the continuation or termination of the suspension imposed herein and on the Notice of Intent to Deny the renewal of your mortgage broker certificate of registration. Said hearing will be held in **Room 1914, located on the 19th floor of the Vern Riffe Center for Government and the Arts, 77 South High Street, Columbus, Ohio 43215.**

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.

Signed and sealed this 18th day of March, 2010.

LEIGH A. WILLIS

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