

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

In the matter of:	)	Case No. M2006-9992878
	)	
<b>ACE MORTGAGE FUNDING, LLC.</b>	)	<b>Notice of Intent to Fine Mortgage Broker Registrant</b>
777 Beachway Drive, Suite 300	)	&
Indianapolis, Indiana 46224	)	<b>Notice of Opportunity for a Hearing</b>
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**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**

**ACE MORTGAGE FUNDING, LLC.** ("Respondent") is an Indiana limited liability company, registered in Ohio as foreign limited liability company, that holds an active certificate of registration issued by the Division to engage in business as a mortgage broker pursuant to R.C. Chapter 1322. Respondent's present address of record is 777 Beachway Drive, Suite 300, Indianapolis, Indiana 46224.

**NOTICE OF PROPOSED ACTION**

In accordance with R.C. Chapter 119 and R.C. 1322.10(A)(2), the Division intends to levy a fine in the amount of eight thousand dollars (\$8,000.00) against Respondent for violating R.C. 1322.021(A).

**BASIS FOR PROPOSED ACTION**

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

- I. A mortgage broker registrant that is a corporation, limited liability company or other business entity or association is required to notify the Division of every sale, transfer or hypothecation of any stock, security, membership, partnership, or other equitable, beneficial, or ownership interest in the entity, if the interest represents at least a five percent membership, partnership, or other equitable, beneficial or ownership interest in the entity. See R.C. 1322.021(A).
- II. Respondent's application for a certificate of registration, filed on or about February 18, 2003, stated that the owners of Respondent were Richard M. Hall and Robert L. Gregory, Jr., with each holding a 50% ownership interest.
- III. On or about September 17, 2004, Messrs. Hall and Gregory sold their ownership interest in Respondent to Platinum Holdings, Inc., an Indiana corporation. Messrs. Hall and Gregory are the sole shareholders of Platinum Holdings, Inc., with each holding a 50% ownership interest.
- IV. The Division did not receive notification that Messrs. Hall and Gregory sold and transferred their stock in Respondent to Platinum Holdings, Inc. The Division was alerted

to the sale and transfer of Respondent's stock by a notification of change of ownership that was provided to the Division in a letter dated August 15, 2005 from Michelle L. Kossman of Barnes and Thornburg, LLP.

- V. On October 10, 2003, the Division and Respondent entered into a Settlement and Consent Order (Case No. 03-MB-D-07-01) that decreed, in part, that "[t]he Respondent shall comply with the requirements of the Ohio Mortgage Broker Act" and that "Respondent understands that any breach of this Settlement and Consent Order may result in the reinstitution of administrative proceedings, including suspension or revocation, the imposition of additional fines and any other remedy available to the Division."

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

- A. Respondent has violated R.C. 1322.021(A).
- B. Based on Respondent's actions as set forth in paragraphs I to IV above, the October 10, 2003 Settlement and Consent Order, and pursuant to R.C. 1322.10(A)(1) and (2), the Division is authorized to revoke or suspend Respondent's certificate of registration or to fine Respondent one thousand dollars (\$1,000.00) for each day a violation of law or rule is committed, repeated, or continued.
- C. A fine in the amount of eight thousand dollars (\$8,000.00) 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 imposing a fine of eight thousand dollars (\$8,000.00) on 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: Anthony D. Siciliano, Consumer Finance Staff Attorney, 77 South High Street, 21<sup>st</sup> Floor, Columbus, Ohio 43215-6120.

At the hearing, Respondent may appear by Respondent's attorney, 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 imposing a fine in the amount of eight thousand dollars (\$8,000.00) on Respondent.

Signed and sealed this 6<sup>th</sup> day of July, 2006.

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ROBERT M. GRIESER  
Deputy Superintendent for Consumer Finance  
Division of Financial Institutions  
Ohio Department of Commerce