

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

In the matter of:	)	Case No. M2010-562
	)	
<b>AMERICAN MORTGAGE</b>	)	<b>Notice of Intent to Impose Fine</b>
<b>SERVICE COMPANY</b>	)	<b>&amp;</b>
<b>d/b/a CONCORD MORTGAGE GROUP</b>	)	<b>Notice of Opportunity for a Hearing</b>
11503 Springfield Pike, 2 <sup>nd</sup> Floor	)	
Cincinnati, OH 45246	)	
	)	

---

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

**RESPONDENT**

**AMERICAN MORTGAGE SERVICE COMPANY d/b/a CONCORD MORTGAGE GROUP** ("Respondent") is a domestic 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 11503 Springfield Pike, 2<sup>nd</sup> Floor, Cincinnati, Ohio 45246. Respondent operates under mortgage broker certificate of registration number MB 802615. Respondent holds registrations for 13 branch offices with an additional branch office application pending.

**NOTICE OF PROPOSED ACTION**

In accordance with R.C. 1322.10 and R.C. Chapter 119, the Division intends to impose a FINE against 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 impose a fine against a mortgage broker registrant of not more than one thousand dollars for each day a violation of a law or rule is committed, repeated, or continued. If the registrant engages in a pattern or repeated violations of a law or rule, the Division is authorized to impose a fine against a mortgage broker registrant of not more than two thousand dollars for each day a violation of law or rule is committed, repeated, or continued.
- B. R.C. 1322.02(B)(2) prohibits any individual from acting as a loan originator without first obtaining a license from the Division and may only be employed or associated with one mortgage broker, person or entity listed in R.C. 1322.01(G)(2) at any one time.

- C. R.C. 1322.031(H)(3) permits a mortgage broker registrant to employ a loan officer on a temporary basis pending the transfer of that loan officer's license to that mortgage broker if the mortgage broker received written confirmation from the Division that the loan officer is licensed under Chapter 1322.
- D. R.C. 1322.07(C) prohibits a registrant from "[engaging] in conduct that constitutes improper, fraudulent, or dishonest dealings.
- E. On or about May 1, 2009, Ted F. Spangler ("Mr. Spangler") was issued a 2009-2010 loan officer renewal license as an employee of South Dayton Mortgage Group, Inc. MB.802517.
- F. On or about August 28, 2009, Mr. Spangler was terminated by South Dayton Mortgage Group, Inc. At that time, Mr. Spangler's license was placed into escrow pursuant to Ohio Admin. Code 1301: 8-7-08(C)(3) and Mr. Spangler was prohibited from originating residential mortgage loans or acting as a loan officer/originator under the OMBA. Originating mortgage loans or acting as a loan officer/originator while in escrow status is a violation of R.C. 1322.02(B).
- G. To date, Mr. Spangler has not submitted an application to the Division requesting a transfer of his license to a new employer.
- H. On or April 30, 2010, Mr. Spangler submitted his 2010 loan originator renewal application pursuant to R.C. Chapter 1322 and the Nationwide Mortgage Licensing System and Registry. In his application, Mr. Spangler indicated that he had been employed as a loan officer for Respondent from August 2009 to the present.
- I. Respondent holds OMBA registration MB.802615.
- J. To date, Respondent has not filed a request to transfer Mr. Spangler's loan originator/officer license or to request written confirmation that Mr. Spangler was licensed to work, therefore, no written confirmation was provided.
- K. On or about August 31, 2009, Mr. Spangler originated a USDA/Rural Housing Service mortgage loan for a borrower named Pauley on behalf of Respondent for investor Chase Home Finance-RHS. USDA/Rural Housing Service loans are not exempt from regulation under R.C. 1322.02(G)(2). The Pauley loan closed on or about December 21, 2009.
- L. On about February 2, 2010, Mr. Spangler originated a conventional residential refinance loan for borrowers named Imwalle on behalf of Respondent. The Imwalle loan closed on or about March 24, 2010.
- M. On or about February 22, 2010, Mr. Spangler originated a USDA/Rural Housing Service mortgage loan for a borrower named Sutton on behalf of Respondent for investor Chase Home Finance-RHS. USDA/Rural Housing Service loans are not exempt from regulation under R.C. 1322.02(G)(2). The Sutton loan closed on or about April 16, 2010.

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

1. Respondent's actions as alleged herein constitute violations of R.C. 1322.07(C) and R.C. 1322.031(H)(3).
2. Because Respondent violated or failed to comply with R.C. 1322.07(C) and R.C. 1322.031(H)(3), the Division may impose a fine up to one thousand dollars (\$2,000.00) for each of Respondent's repeated violations.
3. Because Respondent violated R.C. 1322.07(C) and R.C. 1322.031(H)(3), a fine of six thousand dollars (\$6,000.00) should be imposed pursuant to R.C. 1322.10(A)(2).
4. A fine of six thousand dollars (\$6,000.00) 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 six thousand dollars (\$6,000.00) 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: Lori A. Massey, Consumer Finance Attorney, 77 South High Street, 21<sup>st</sup> 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. At the hearing, a corporation must have a representative that is permitted to practice 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 imposing a fine in the amount of six thousand dollars (\$6,000.00) upon Respondent.

Signed and sealed this 8<sup>th</sup> day of July, 2010.

---

**LEIGH A. WILLIS**

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