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**STATE OF OHIO  
DEPARTMENT OF COMMERCE**

**IN THE MATTER OF:**

**DIVISION OF FINANCIAL  
INSTITUTIONS**

**HARRY MARANTIDES**

**CASE NO. M2006-9991489**

**LANDI JACKSON-FORBES  
HEARING OFFICER**

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**REPORT AND RECOMMENDATION**

**Issued December 6, 2006**

**I. FINDINGS OF FACT**

After having heard the testimony, considered the evidence, observed the demeanor of the witnesses, and weighed their credibility, the Hearing Officer finds the following to be fact:

**A. Jurisdiction and Procedural History**

This matter came before Landi Jackson-Forbes, an attorney licensed to practice law in Ohio, and duly appointed by the Ohio Division of Financial Institutions (hereinafter the "Division") to serve as Hearing Officer for the above captioned matter in accordance with the Administrative Procedures Act, Chapter 119, Ohio Revised Code (hereinafter "Revised Code").

The hearing was scheduled by the Division at the request of Respondent Harry Marantides, of Strongsville, Ohio (hereinafter "Respondent") to consider the Division's Notice of Intent to Deny Loan Officer License Application, Notice of Opportunity for a Hearing (hereinafter "NOH"), that was issued to Respondent on or about April 5, 2006. The Division issued the NOH to Respondent on the basis that the Ohio Department of Insurance denied him a non-resident insurance agent license in January 2003 and a resident insurance agent license in June 2003, and the Arizona Department of Insurance revoked his insurance agent license in June 2003. The NOH alleges that Ohio Department of Insurance denials and the Arizona Department of Insurance revocation demonstrates that Respondent does not have the character and general fitness to 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.

The hearing was held at 2:30 p.m. on June 20, 2006, at 77 South High Street, 19<sup>th</sup> Floor, Room 1938, Columbus, Ohio. The Division, represented by Assistant Attorney General Mindy Worley, appeared at the hearing. Respondent appeared *pro se* and testified at the hearing. At the hearing Respondent stipulated that State's Exhibits A

through H true and accurate copies and agreed to the admittance of the exhibits into the record. Respondent's Exhibits 1 through 4 was admitted into the record as discussed in the transcript (hereinafter "Tr.").

**B. Loan Officer License Application**

1. The Division is the state agency responsible for the licensing and regulation of Mortgage Loan Officers pursuant to R.C. Chapter 1322. (State Ex. A)
2. Respondent is an individual who wishes to conduct business in Ohio as a Mortgage Loan Officer. The Division received a Loan Officer License Application ("Application") for Respondent on or about December 5, 2005. (State Ex. A)
3. Respondent swore to or affirmed that the answers he gave in the Application are complete and true of his own knowledge. (State Ex. A)
4. Within the Application Respondent checked the "yes" box to Question 4 which asked; "Have you ever had any type of approval to conduct business revoked, suspended, or refused to be renewed or been fined by any regulatory agency? Respondent wrote, "Refused insurance license by state of Ohio 6-2003" and "Insurance license revoked by the state of Arizona, 2002". (State Ex. A)
5. Neither Question 4 in the Application nor any other question within the Application required Respondent to disclose the Ohio Department of Insurance's refusal to give Respondent an insurance license. (State Ex. A)
6. As a result of Respondent's answers to Question 4, the Division required Respondent to provide detailed explanations of the denials and revocation and copies of the entries evidencing each agency's decision. (State Ex. B)
7. On January 23, 2003 the Ohio Department of Insurance denied Respondent's application for a non-resident insurance license submitted on January 12, 2002 on the basis that Respondent was dismissed for cause from his exclusive agent contract with Allstate Life Insurance Company on July 18, 2001 for falsifying applications for annuity products. The Ohio Department of Insurance also found that Respondent later asked for a clearance canceling his Ohio license after receiving correspondence that the Department was investigating allegations of his falsification of annuity applications. The Department of Insurance also found that Respondent failed to take responsibility for his actions that led to his dismissal from Allstate. (State Ex. D)
8. Respondent untimely filed objections to the Report and Recommendation issued in the case considering his application for a non-resident license with the Ohio Department of Insurance. (State Ex. D)
9. The Ohio Department of Insurance also denied Respondent's application for a insurance agent license submitted in February 2003 on the basis of the January

2003 Order and because Respondent submitted a Uniform Application for Non-Resident Individual Insurance License Producer Application when he resided in Strongsville, Ohio. (State Ex. D)

10. In October 2001 and January 2002, Respondent submitted to the Arizona Department of Insurance life and disability, variable contracts, and property and casualty insurance license applications, respectively. Respondent answered "no" to question C of the life and disability, variable contracts, and property and casualty insurance license applications, which ask, "Have you ever withdrawn any application or surrendered any license to avoid any disciplinary action or the denial of a license?" Thereafter, on October 12, 2001 the Arizona Department of Insurance issued to Respondent a life and accident/health producer's resident license. The license was reissued on October 30, 2001 adding variable life/annuities, and on February 7, 2002 property and casualty producer. (State Ex. E)
11. The Arizona Department of Insurance later on discovered that Respondent applied for a non-resident insurance agent license in Ohio, listing his address as an extended stay hotel in Tucson, Arizona, and was subsequently refused a license by the Ohio Department of Insurance was discussed in paragraph 8 of this Report. (State Ex. E)
12. The Arizona Department of Insurance conducted its own investigation and determined that Respondent did not reside in Arizona. After sending Respondent a Notice of Hearing, the Arizona Department of Insurance through counsel found that Respondent's conduct of indicating that he resided in Arizona at the time he made applications for insurance licenses, constituted providing incorrect, misleading, incomplete or materially untrue information in the license application; constituted obtaining or attempting to obtain a license through misrepresentation or fraud; constituted having been found to commit any insurance unfair trade practice or fraud; constituted using fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere; constituted having an insurance producer license, or its equivalent, denied, suspended or revoked in any other state, province, district or territory; and constituted forging another's name to any document related to an insurance transaction. (State Ex. E)
13. Respondent did not respond to the notice and the allegations and was found in default and the allegations deemed admitted. The Arizona Department of Insurance issued an order revoking the insurance licenses held by Respondent. (State Ex. E)
14. Respondent appeared at the June 20, 2006 hearing set this matter and read his Exhibit 1 into the record. (Tr. at 14-15)

15. Respondent offered three other documents into the record, two of which were already identified as State's Exhibit D and H and admitted into the record. Thereafter, after being cautioned, Respondent left the hearing. (Tr. at 24 & 30-34)
16. Respondent believes that he was the only person harmed by his actions while an agent for Allstate Insurance. Respondent also contends that the NASD and the Departments of Insurance in Michigan and Kentucky found no violations or misconduct by Respondent after the Ohio and Arizona hearings and maintained in those states. Respondent did not indicate whether those licenses are currently active. (Respondent Ex. 1)
17. Respondent left the hearing before he could be questioned about his statements in his Exhibit 1 and did not offer any documents to support his contentions.
18. Respondent reapplied with the Ohio Department of Insurance on June 29, 2005, which was still pending at the time of the hearing.

## **II. CONCLUSIONS OF LAW**

### **A. Jurisdiction**

The Division procedurally complied with Revised Code Chapter 119 in mailing the NOH, in demonstrating delivery of the NOH, and in scheduling the hearing that had been requested by Respondent within the time parameters established in Revised Code §119.07, §119.08 and §119.09. The Division has jurisdiction in this matter.

### **B. Loan Officer License Application**

1. In order to issue a license Revised Code §1322.041(A) requires the Division must make a finding that inter alia:
  - (5) The 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 the sections 1322.01 to 1322.12 of the Revised Code.
2. The Division brought into question Respondent's character and general fitness by demonstrating that the Ohio Department of Insurance issued findings and orders denying Respondent a license in 2003 and the Arizona Department of Insurance issued findings and an order in 2003 revoking licenses issued to Respondent.
3. Respondent provided little to no evidence to support his burden that he does have the character and general fitness to command the confidence of the public and warrant the belief that the business will be operated honestly and fairly in

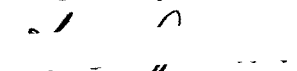
compliance with the purposes of the Ohio Mortgage Broker Act. His testimony that the Departments of Insurance in Michigan and Kentucky found not violations or misconduct on his part and allowed his licenses to be kept was not supported by reliable or probative evidence.

4. Respondent provided truthful answers in the Application, to wit: the unsolicited response to Question 4. Filing an accurate application with a state agency to obtain a license and that application containing information beyond what was required in the interest of full disclosure, even though that information is negative to the applicant, is positively demonstrative of an applicant's character and general fitness. This evidence, however, is not sufficient to overcome the Division's evidence questioning Respondent's character and general fitness.
5. Respondent did not meet his burden to demonstrate by a preponderance of the evidence that he has the character and general fitness to 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.

### **III. RECOMMENDATION**

In careful consideration of the record made in this matter, it is recommended that Harry Marantides be found not to have presented sufficient evidence to prove, by a preponderance of the evidence, that his 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 Ohio Mortgage Broker Act, and that consequently he be denied an Ohio Loan Officer License.

Respectfully submitted,

  
Landi Jackson-Forbes

Hearing Officer

December 6, 2006

Docket No. M2006-9991489