

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

In the matter of:	)	Case No. M2008-801
	)	
<b>PRIORITY PARTNERS LENDING</b>	)	<b>Notice of Intent to Impose a Fine</b>
<b>GROUP, INC.</b>	)	<b>&amp;</b>
0-151 44 <sup>th</sup> Street SW, Suite 1	)	<b>Notice of Opportunity for a Hearing</b>
Grandville, MI 49418	)	
	)	

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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. In accordance therewith, the Division is accountable for the registration of mortgage brokers.

**RESPONDENT**

**PRIORITY PARTNERS LENDING GROUP, INC.** ("Respondent") was a foreign registered corporation that holds a certificate of registration to engage in business as a mortgage broker pursuant to R.C. Chapter 1322. Respondent's registration as a foreign corporation was surrendered and cancelled with the Ohio Secretary of State on October 22, 2008. Respondent's main office certificate of registration number is MB.803866.000 and it also holds branch number MB.803866.001. Respondent's business address of record is 0-151 44<sup>th</sup> Street SW, Suite 1, Grandville, Michigan 49418.

**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 "[i]mpose a 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. 1322.02(A)(1) provides that "[n]o person, on the person's own behalf or on behalf of any other person, shall act as a mortgage broker without first having obtained a certificate of registration from the superintendent of financial institutions for every office to be maintained by the person for the transaction of business as a mortgage broker in this state."

- C. R.C. 1322.02(A)(2) provides that “[n]o person shall act or hold that person’s self out as a mortgage broker under the authority or name of a registrant or person exempt from sections 1322.01 to 1322.12 of the Revised Code without first having obtained a certificate of registration from the superintendent for every office to be maintained by the person for the transaction of business as a mortgage broker in this state.”
- D. On July 16, 2007, the Division received a mortgage broker main office application and a mortgage broker branch office application from Respondent. On December 21, 2007, the Division approved the applications and issued Respondent a certificate of registration for its main office in Grandville, Michigan and a certificate of registration for its branch office in Cincinnati. Respondent’s operations manager was Mark D. McCool, who holds loan officer license number LO.029289.
- E. Respondent’s branch office in Cincinnati is the same registered location as former OMBA registrant Mortgagewise, Inc., MB.803550. Mortgagewise, Inc.’s owner was Mark D. McCool, and its certificate of registration was cancelled on January 7, 2008.
- F. Respondent’s records indicate that on or about November 12, 2007, Respondent held itself out as a registered mortgage broker to buyer Beverly A. Gilbert.
- G. Respondent’s records indicate that on or about November 16, 2007, Respondent held itself out as a registered mortgage broker and held itself out under the name and authority of registrant Mortgagewise, Inc. to buyer Tilford R. Hammock.
- H. Respondent’s records indicate that on or about December 12, 2007, Respondent held itself out as a registered mortgage broker to co-buyers Joshua D. and Jamie A. Bennett.
- I. OAC 1301:8-7-06(G) provides, in part, that any books, accounts or records required to be maintained by this rule may be maintained, in their original form, on microfiche or other electronic media provided the registrant obtains the Division’s prior approval.
- J. Despite the absence of the Division’s approval, Respondent kept records only by electronic means and shredded hardcopy loan files after they were scanned.

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

- 1. As a result of its actions described in paragraphs F, G, and H above, Respondent violated R.C. 1322.02(A)(1) by acting as a mortgage broker without first having obtained a certificate of registration from the Division.
- 2. As a result of its actions described in paragraph G above, Respondent violated R.C. 1322.02(A)(2) by acting or holding itself out as a mortgage broker under the authority of another registrant’s OMBA certificate of registration number.
- 3. As a result of its actions described in paragraph J above, Respondent violated OAC 1301:8-7-06(G).
- 4. As a result of its actions described in paragraphs F, G, H, and J above, Respondent violated R.C. 1322.07(C).

5. Because Respondent violated R.C. 1322.02(A)(1) and (2), R.C. 1322.07(C), and OAC 1301:8-7-06(G), a fine should be imposed pursuant to R.C. 1322.10(A)(2).
6. 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 imposing a five thousand dollar (\$5,000.00) fine under the Ohio Mortgage Broker Act.

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 General Counsel, 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 five thousand dollar (\$5,000.00) fine.

Signed and sealed this 18<sup>th</sup> day of February, 2009.

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**LEIGH A. WILLIS**

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