

STATE OF OHIO  
DEPARTMENT OF COMMERCE  
DIVISION OF FINANCIAL INSTITUTIONS  
77 South High Street, 21<sup>st</sup> Floor  
Columbus, Ohio 43215-6120

In the matter of:	)	
	)	<b>Case No. 04-0018MBD</b>
<b>NEUSTAR FINANCIAL SERVICES, INC.</b>	)	
2824 Highway 260- Suite 3	)	<b>Notice of Intent to Assess Fine and</b>
Overgaard, AZ 85933	)	<b>Deny Renewal of Mortgage Broker</b>
	)	<b>Certificates of Registration &amp;</b>
	)	<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 enforcing the Ohio Mortgage Broker Act, codified in Ohio Revised Code ("R.C.") Chapter 1322, and the rules adopted thereunder.

**RESPONDENT**

Respondent Neustar Financial Services, Inc., ("Respondent") is registered as a foreign corporation in Ohio which holds mortgage broker certificates of registration, MB#5226 and MB#5227, issued by the Division pursuant to R.C. 1322. Respondent's mortgage broker certificate of registration expired on April 30, 2004, and Respondent filed an application to renew its certificates; the renewal application remains pending. Respondent's business address of record of its main office is 2824 Highway 260- Suite 3, Overgaard, AZ 85933 having MB#5226. Respondent's branch office in Ohio is at 2525 N. Reynolds Rd, Suite 3, Toledo, OH 43615 having MB#5227.

**NOTICE OF PROPOSED ACTION**

In accordance with R.C. 1322.04, and pursuant to R.C. Chapter 119, the Division intends to ASSESS A FINE and DENY RENEWAL of Respondent's mortgage broker certificates of registration.

**ALLEGATIONS**

Pursuant to R.C. 1322.10(B) and R.C. 1322.04(B), the Division conducted an investigation into the affairs of Respondent, and as a result thereof, alleges the following:

1. R.C. 1322.03(A)(3) requires a mortgage broker applicant to designate an operations manager.

2. R.C. 1322.03(A)(4) requires a mortgage broker applicant to provide evidence that its designated operations manager has at least three years experience in the mortgage and lending field.
3. R.C. 1322.01(H) defines “Operations Manager” as “the individual responsible for the everyday operations, compliance requirements, and management of a mortgage broker business.”
4. R.C. 1322.04(A)(9) requires that a mortgage broker applicant’s operations manager to have successfully completed the examination for operations managers as set forth in R.C. 1322.051.
5. If the person designated as operations manager according to R.C. 1322.03(A)(3) is no longer the operations manager, R.C. 1322.04(D)(1) requires the registrant to designate another person as the operations manager. Within ten days after the designation of the operations manager, the registrant is required by R.C. 1322.04(D)(2) to notify the Superintendent of Financial Institutions in writing of this designation.
6. R.C. 1322.04(B)(3) requires the Division to find that a mortgage broker renewal registrant applicant is in compliance with R.C. 1322.04(A)(2) to (10) as a condition for renewal of the mortgage broker’s certificate of registration.
7. R.C. 1322.04(D)(3) requires a registrant to submit any additional information that the Division requires to establish that a newly designated operations manager has the three years of experience required by R.C. 1322.03(A)(4).
8. On or about April 28, 2004, Jessica Owens notified the Division that Neustar Financial Services Inc. had a change in Operations Manager. Accordingly, the Division sent Respondent a Change of Operations Manager package.
9. On or about May 18, 2004, Respondent designated Dan Gevanni as Operations Manager of Neustar Financial Services Inc. and submitted some documentation required by the Division for a Change of Operations Manager Application.
10. On or about June 25, 2004 the Division notified Respondent by phone that Dan Gevanni did not meet Ohio’s statutory requirements for an Operations Manager.
11. On or about July 14, 2004, Respondent notified the Division that it sought to change its Operations Manager to Robert Steiger. Respondent submitted an incomplete application with respect to this change, however. Accordingly, on August 6, 2004, the Division wrote Respondent a letter advising Respondent of the additional documentation required to complete the Change of Operations Manager Application.

12. On August 30, 2004, the Division faxed to Robert Steiger a copy of the Division's August 6, 2004 letter to Neustar Financial Services, Inc. The Division has received no further correspondence regarding the Change in Operations Manager Application from Respondent or from Robert Steiger.
13. By not having an Operations Manager who has successfully completed the required examination in violation of R.C. 1322.04(A)(9) Respondent fails to meet the conditions of renewal under R.C. 1322.04(B).
14. Respondent has failed to submit requested additional information to the Division to establish the experience of its designated operations manager in violation of R.C. 1322.04(D)(3) and Respondent thereby fails to meet the conditions of renewal under R.C. 1322.04(B).
15. Respondent is in violation of R.C. 1322.04(A)(3) which requires a renewal applicant's operations manager to meet the experience requirements provided under the Mortgage Broker Act, and Respondent thereby fails to meet the conditions of renewal under R.C. 1322.04(B).
16. R.C. 1322.04(B)(2) states as a condition of renewal the designated operations manager must complete at least six hours of continuing education during the immediately preceding calendar year as required by R.C. 1322.052.
17. During 2003, the Operations Manager of Respondent, Neustar Financial Services, Inc., failed to complete the requisite six hours of continuing education as set forth by R.C. 1322.052.
18. Respondent fails to meet the conditions of renewal under the terms of R.C. 1322.04(B)(2).
19. Respondent's failure to qualify a new designated operations manager within a reasonable amount of time since April 28, 2004, or otherwise submit the materials necessary to qualify its designated operations manager in a timely manner, is an improper business practice and conduct in violation of R.C. 1322.07(C) and Respondent thereby fails to meet the conditions of renewal under R.C. 1322.04(B)(3) and R.C. 1322.04(A)(6).

### **FINDINGS**

Based upon the allegations above, the Division has determined the following:

1. Respondent Neustar Financial Services, Inc. does not have an Operations Manager who has successfully completed the required examination in violation of R.C. 1322.04(A)(9).

2. Respondent has failed to submit requested additional information to the Division to establish the experience of its designated operations manager in violation of R.C. 1322.04(D)(3).
3. Respondent is in violation of R.C. 1322.04(A)(3) which requires a renewal applicant's operations manager to meet the experience requirements provided under the Mortgage Broker Act as set forth in R.C. 1322.03(A)(4).
4. Respondent is in violation of the continuing education requirements set forth as a condition of renewal pursuant to R.C. 1322.04(B)(2).
5. Respondent failed to qualify a new designated operations manager within a reasonable amount of time since April 28, 2004, and otherwise failed to submit the materials necessary for the Division to qualify a new operations manager in a timely manner in violation of R.C. 1322.07(C).
6. Respondent fails for the reasons set forth herein to meet the conditions for renewal as set forth in R.C. 1322.04(B).

### **PROPOSED ACTION**

Based upon the allegations and findings above, the Division intends to DENY THE RENEWAL of the Mortgage Broker Certificates of Registration MB 5226 and MB 5227 for Neustar Financial Services, Inc. and LEVY A FINE in the amount of \$5000 for the violations of R.C. 1322.04 and R.C. 1322.07(C).

### **NOTICE OF OPPORTUNITY FOR A HEARING ON PROPOSED ACTION**

Therefore, pursuant to R.C. Chapters 1322 and 119, Respondents are hereby notified that thirty-one (31) days from the date of the mailing of this Notice, the Superintendent intends to issue an ORDER DENYING THE RENEWAL of the mortgage broker certificates of registration MB 5226 and MB 5227 for Neustar Financial Services, Inc. and to impose a FINE of \$5000.

**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 to:**

**State of Ohio  
Department of Commerce  
Division of Financial Institutions  
Attn: Attorney Timothy C. Winslow**

**77 South High Street, 21<sup>st</sup> Floor  
Columbus, Ohio 43215-6120**

**At the hearing, Respondent may appear by its 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.**

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 DENYING THE RENEWAL of the mortgage broker certificates of registration MB 5226 and MB 5227 for Neustar Financial Services, Inc. and assessing a FINE of Five Thousand Dollars (\$5000).

Signed and Sealed this \_\_\_\_\_ day of \_\_\_\_\_, 2004.

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Robert M. Grieser  
Deputy Superintendent of Financial Institutions

Cc: Timothy C. Winslow, In House Counsel—Division of Financial Institutions  
Emily Smith, Asst. Attorney General, Business & Government Regulation

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