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VIA HAND DELIVERY

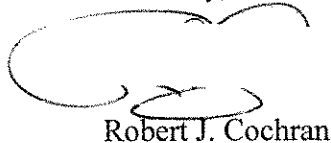
Iris L. Eubank
Administrative Assistant
Ohio Department of Commerce
Division of Financial Institutions
77 South High Street, 21st Floor
Columbus, Ohio 43215-6120

Re: *In re: Ronald Joseph Pasqualone.*
Case No. 03-LO-D-37-38

Dear Ms. Eubank:

Enclosed please find a copy of the Hearing Examiner's Report and Recommendation and transcript from the hearing in the above referenced matter. If you have any questions or concerns, please do not hesitate to call.

Sincerely,



Robert J. Cochran

RJC:prw

Enclosures



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DIVISION OF FINANCIAL
INSTITUTIONS

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

IN RE:	:	Case No:	03-LO-D-37-38
	:		
RONALD JOSEPH PASQUALONE	:		
488 Eastwood, Apt. 16	:		
Geneva, Ohio 44041	:		

REPORT AND RECOMMENDATION

Pursuant to R.C. Chapter 1322, the Ohio Department of Commerce, Division of Financial Institutions, proposed that Ronald Joseph Pasqualone's application for a mortgage loan officer license be denied. Mr. Pasqualone is hereinafter referred to as the "Respondent" and the Ohio Department of Commerce, Division of Financial Institutions, is referred to as the "Division."

The Division provided Respondent with timely notice of the proposed action, the basis of the proposed action, and an opportunity for a hearing in accordance with the Ohio Administrative Procedures Act, R.C. Chapter 119. Respondent subsequently requested a hearing, which was held in Columbus, Ohio, on June 10, 2003. The Division was represented by Assistant Attorney General John A. Izzo, Esq. Respondent appeared *pro se*.

Prior to the start of the hearing, Respondent was advised of his right to be represented by an attorney. Respondent indicated that he understood this right. He then waived his right to be represented by an attorney and the hearing commenced.

The hearing was conducted in accordance with the requirements of R.C. Chapter 119. This report is hereby filed with the Superintendent of Financial Institutions for distribution to the parties.

I. FINDINGS OF FACT

A. On March 14, 2002, Respondent applied for a mortgage loan officer license. Because Respondent had been convicted of two counts of trafficking in marijuana, the Division proposed to deny his license pursuant to R.C. 1322.041(A)(3) and (5).

B. The evidence introduced at the hearing established that Respondent had been convicted in 1994 of two counts of trafficking in marijuana, violations of R.C. 2925.03. The underlying criminal conduct occurred in 1992 or 1993 when Respondent was a senior at Kent State University. Respondent testified that he was selling marijuana at Kent State to pay for school because he wasn't receiving any financial aid. He was arrested in 1993 and finally convicted on June 1, 1994. Respondent was approximately twenty-three or twenty-four years old at the time he committed these offenses.

C. As a result of these convictions, Respondent spent time in prison and on probation, which he successfully completed. While on probation, Respondent had to submit to regular drug screens, all of which he passed. Since 1994, Respondent has not been convicted of any other criminal offenses. On November 4, 2002, Respondent's conviction was expunged.

D. Since his convictions in 1994, Respondent has worked in a laborer's union and then later in the mortgage industry. He is married and has two children.

E. Respondent is currently a loan officer at Statewide Home Mortgage, Inc. ("Statewide Home Mortgage"), in Painesville, Ohio. Three employees of Statewide Home Mortgage testified in Respondent's behalf: Phillip C. DeGeorge, the sales manager; Robert S. Jackson, the operations manager; and David Engel, a loan officer. The thrust of their testimony was that Respondent is a capable, honest, and ethical employee.

F. The credibility of a witness is ordinarily to be determined by the trier of fact. To determine the credibility of a witness, the trier of fact should use the tests of truthfulness used in daily life. 1 Ohio Jury Instructions (2003) 119, Section 5.30(2). These tests include the appearance of the witness; his manner of testifying; the reasonableness of the testimony; the opportunity the witness had to see, hear, and know the things concerning which he testified; the accuracy of his memory; frankness or lack of it; intelligence, interest, and bias, if any; together with all the facts and circumstances surrounding the witnesses testimony. Id. at 119-120, Section 5.30(3). Based on the foregoing tests, the testimony of Respondent and his three witnesses was credible.

II. CONCLUSIONS OF LAW

A. R.C. 1322.041(A) provides in pertinent part:

(A) Upon conclusion of the investigation required under division (B) of section 1322.031 of the Revised Code, the superintendent of financial institutions shall issue a loan officer license to the applicant if the superintendent finds that the following conditions are met:

(3) The applicant has not been convicted of or pleaded guilty to any criminal offense described in division (A)(2) of section 1322.031 of the Revised Code, or, if the applicant has been convicted or pleaded guilty to such an offense, the applicant has proven to the superintendent by a preponderance of the evidence, that the applicant's activities and employment record since the conviction show that the applicant is honest, truthful, and of good reputation, and there is no basis in fact for believing that the applicant will commit such an offense again.

(4) 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 sections 1322.01 to 1322.12 of the Revised Code.

R.C. 1322.041(A).

B. The offenses described in R.C. 1322.031(A) include any offenses involving drug trafficking. Respondent was convicted of two counts of trafficking in marijuana in 1994. Each count constituted a violation Ohio's drug trafficking statute, R.C. 2925.03. Consequently, Respondent has the burden to demonstrate by a preponderance of the evidence that his activities and employment record since the conviction show that he is honest, truthful, and of good reputation, and that there is no basis in fact for believing that he will commit such offenses again.

C. In addition Respondent must demonstrate that his character and general fitness command the confidence of the public and warrant the belief that his business will be operated honestly and fairly in compliance with the purposes of sections 1322.01 to 1322.12 of the Revised Code.

D. A preponderance of the evidence is the greater weight of the evidence; that is, evidence that the trier of fact believes because it outweighs or overbalances the evidence opposed to it. Phrased another way, a preponderance of the evidence means evidence that is more probable, more persuasive, or of greater probative value. It is the quality of the evidence that must be weighed. Quality may or may not be identical with quantity or the greater number of witnesses. 1 Ohio Jury Instructions (2003) 112-113, Section 3.50(1).

E. At the hearing, Respondent established by a preponderance of the evidence that his activities and employment record since his convictions show that he is honest, truthful, and of good reputation. According to the testimony presented at the hearing, Respondent has not been convicted of any criminal offenses since 1994. He is married, has two children, and is employed as loan officer with Statewide Home Mortgage. He is considered a capable, honest and ethical employee.

F. At the hearing, Respondent accepted responsibility for his criminal conduct. He did not attempt to minimize the seriousness of his crime or the impact of illegal drug use in society. For a *pro se* Respondent, he was also well-prepared for the hearing. He prepared a well-written opening statement and had obviously prepared questions for his witnesses. Accordingly, Respondent took the hearing and hearing process seriously.

G. Based on this evidence, including Respondent's conduct and preparation for the hearing, Respondent has demonstrated that his character and general fitness command the confidence of the public and warrant the belief that his business will be operated honestly and fairly in compliance with the purposes of sections 1322.01 to 1322.12 of the Revised Code.

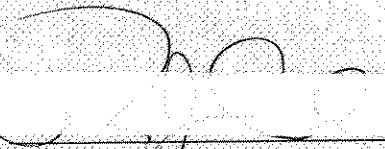
H. Additionally, Respondent has demonstrated that he is honest, truthful, and of good reputation, and that there is no basis for believing he will commit such offenses again.

I. Accordingly, the record of the hearing held on June 10, 2003 does not support the denial of Respondent's license.

III. RECOMMENDATION

Respondent's application for a mortgage loan officer license should be granted.

Respectfully submitted,


Robert J. Cochran
Hearing Examiner

7/22/03
Date