

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

In the matter of:	)	Case No. M2006-9992762
	)	<b>Notice of Intent to Deny Mortgage Broker</b>
<b>SYNERGY MORTGAGE SERVICES, INC.</b>	)	<b>Certificate of Registration Renewal</b>
23600 Mercantile Road, Suite 120	)	<b>&amp;</b>
Beachwood, Ohio 44122	)	<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 administering and enforcing the Ohio Mortgage Broker Act, codified in Ohio Revised Code ("R.C.") Chapter 1322.

**RESPONDENT**

**SYNERGY MORTGAGE SERVICES, INC.** ("Respondent") is a corporation that held a certificate of registration issued by the Division to engage in business as a mortgage broker pursuant to the Ohio Mortgage Broker Act. Respondent's mortgage broker certificate of registration expired on April 30, 2006, and Respondent filed an application to renew its certificate of registration and that application remains pending. Respondent's business address is 23600 Mercantile Road, Suite 120, Beachwood, Ohio 44122.

**NOTICE OF PROPOSED ACTION**

In accordance with sections 1322.04(B) and 1322.10(A)(1)(a) of the R.C., and R.C. Chapter 119, the Division intends to DENY Respondent's renewal application for a mortgage broker certificate of registration.

**BASIS FOR PROPOSED ACTION**

The Division has conducted an investigation of Respondent, pursuant to R.C. 1322.10(B), and alleges the following:

- A. The Division is authorized by R.C. 1322.10(A)(1)(a) to refuse to renew an applicant's mortgage broker certificate of registration if the Division finds that the applicant has violated "or fail[ed] to comply with any provision of sections 1322.01 to 1322.12 of the Revised Code or the rules adopted under those sections or any other law applicable to the business conducted under a certificate of registration[.]"
- B. The Division conducted an examination of Respondent's office on October 21-22, 2004.
- C. During the exam the Division examiner found that the mortgage loan origination disclosure statement which Respondent was using did not disclose all the information required by R.C. 1322.062(A). Specifically, the statement lacked the address and telephone number of the buyer; the typewritten name of the loan officer and the number designated on the loan officer's license; the number designated on the registrant's certificate of registration; a statement indicating whether the buyer is to pay for the services of a bona fide third party if the registrant is unable to assist the buyer in obtaining a mortgage; a statement that describes the method by which the fee to be paid to the registrant by the buyer will be calculated; a

statement that the buyer has not entered into an exclusive agreement with the registrant; and a description of all the services the registrant has agreed to perform for the buyer.

- D. During the exam, the Division examiner found that Respondent failed to accurately disclose the amount of broker compensation received on the mortgage loan origination disclosure statement, in violation of R.C. 1322.07(B). In addition to a broker fee, Respondent receives a processing fee that was not disclosed.
- E. During the exam the Division examiner found that Respondent does not process all the fees received from buyers on behalf of third-party service providers through the special account, in violation of 1322.08. Specifically, Respondent receives a credit report and courier fees through loan proceeds but does not use the special account to pay those fees.
- F. During the exam the Division examiner found that Respondent's advertisements did not disclose the number designated on their mortgage broker registration as required by 1322.09.
- G. Respondent failed to cooperate with an examination/investigation conducted by the Division in violation of R.C. 1322.072(A). Specifically, Respondent failed to respond to the Division's letters dated November 16, 2004 and January 6, 2005 that outlined the compliance issues found in the October 2004 examination and required a written response from Respondent.

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

- 1. Respondent's violations of the Ohio Mortgage Broker Act, as listed above, shows Respondent's financial responsibility, experience, character and general fitness do not 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. (R.C. 1322.04(A)(10)).
- 2. Respondent's actions, as listed in paragraph D, violated R.C. 1322.07(B), which prohibits a mortgage broker from "[m]ak[ing] false or misleading statements of a material fact, [or] omissions of statements required by state law[.]"
- 3. Respondent's actions, as listed in paragraph D, violated R.C. 1322.07(C), which prohibits a mortgage broker from "[e]ngag[ing] in conduct that constitutes improper, fraudulent, or dishonest dealings[.]"

#### **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 denying Respondent a mortgage broker certificate of registration 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 Staff Attorney, 77 South High Street, 21<sup>st</sup> Floor, Columbus, Ohio 43215-6120.

At the hearing, Respondent may 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. As a corporate entity, Respondent must be represented by 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 denying Respondent's mortgage broker certificate of registration renewal.

Signed and sealed this 2<sup>nd</sup> day of May 2006.

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**ROBERT M. GRIESER**

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