

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

In the matter of:)	Case No. M2008-675
)	
JEAN E. MURRAY)	Notice of Intent to Revoke Loan
3419 State Route 131)	Officer License and Impose Fine
Fayetteville, Ohio 45118)	&
)	Notice of Opportunity for a Hearing

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, and the rules adopted thereunder. In accordance therewith, the Division is accountable for the licensing of individuals as residential mortgage loan officers.

RESPONDENT

JEAN E. MURRAY ("Respondent") is an individual that holds a loan officer license issued by the Division to originate residential mortgage loans pursuant to R.C. Chapter 1322. Respondent was also the operations manager for JEM Financial Services Inc. ("JEM"), and was the owner of 100% of the stock of JEM. Respondent's address of record is 3419 State Route 131, Fayetteville, Ohio 45118 and her date of birth is July 9, 1966. Respondent currently has no employer of record.

NOTICE OF PROPOSED ACTION

In accordance with R.C. sections 1322.041 and 1322.10, and R.C. Chapter 119, the Division intends to REVOKE Respondent's loan officer license and IMPOSE A FINE of three thousand dollars (\$3,000).

BASIS FOR PROPOSED ACTION

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

- A. In accordance with R.C. 1322.10(A)(1)(a), the superintendent of the Division may revoke a loan officer license if the superintendent finds that a loan officer has committed a "violation of or failure to comply with any provision of sections 1322.01 to 1322.12 of the Revised Code[.]"
- B. The Division is authorized by R.C. 1322.10(A)(2) to impose a fine upon Respondent for her violations of a law or rule.
- C. Since at least 2002, Respondent was the operations manager of JEM.
- D. As the operations manager of JEM, Respondent was responsible for the day to day operations of JEM and compliance with R.C. Chapter 1322 and the rules adopted thereunder. See, R.C. 1322.01(H), R.C. 1322.03(A)(3) and Ohio Admin. Code 1301:8-7-02(L).

- E. In or about 1997, JEM submitted an application for a certificate of registration in order to transact business under R.C. 1322.01 to 1322.12.
- F. In or around 1997, certificate of registration 1707 (now MB 801391) was issued to JEM and Respondent was its sole shareholder throughout its time of registration.
- G. The Division is authorized by R.C. 1322.06(A) to examine mortgage broker records that “[pertain] to business transacted pursuant to sections 1322.01 to 1322.12 of the Revised Code.
- H. R.C. 1322.06(B) requires registrants to “maintain records pertaining to business transacted pursuant to sections 1322.01 to 1322.12 of the Revised Code” and prohibits registrants from failing to comply.
- I. In a compliance examination conducted pursuant to R.C. 1322.06 on May 15, 2008, it was determined that JEM files did not contain signed closing disclosure documents as required by Ohio Admin. Rule 109:4-3-23.
- J. In a compliance examination conducted pursuant to R.C. 1322.06 on May 15, 2008, it was determined that JEM failed to accurately disclose the amount of broker compensation and/or change in broker compensation as required by R.C. 1322.062 and R.C. 1322.064.
- K. In a compliance examination conducted pursuant to R.C. 1322.06 on May 15, 2008, it was determined that JEM failed to refund to the buyer the undisclosed broker compensation as required by R.C. 1322.064(C).
- L. Ohio Admin. Code 1301:8-7-13(F) provides that if, “[a]s part or in the furtherance of any examination pursuant to division (A) of section 1322.06[,] . . . the superintendent or his authorized representatives requests a written response . . .the . . .registrant, licensee . . . shall deliver a written response and any requested information within the time period specified in the request.”
- M. R.C. 1322.072 prohibits a registrant from knowingly failing to cooperate with an investigation.
- N. On July 10, 2008, the Division issued a compliance examination letter to Respondent at JEM’s address of record outlining the issues uncovered in the May 15, 2008 compliance examination and requesting a written response within thirty days. Respondent failed to respond to the Division’s July 10, 2008 letter, which was not returned by the U.S. Postal Service to the Division.

As a result of the above findings, the Division finds:

- 1. As operations manager, Respondent was responsible for JEM’S compliance with R.C. Chapter 1322.
- 2. Because JEM violated Ohio Admin. Code 109:4-3-23, R.C. 1322.062, and R.C. 1322.064, Respondent has violated R.C.1322.07(C).
- 3. As a result of the actions listed in paragraph N above, Respondent violated R.C. 1322.072 and Ohio Admin. Code 1301:8-7-13(F).

4. Because Respondent violated R.C.1322.07(C), 1322.072, and Ohio Admin. Code 1301:8-7-13(F), the Division is authorized under R.C. 1322.10(A)(1)(a) to revoke Respondent's loan officer license and to impose a fine.
5. A fine of three thousand dollars (\$3,000) is reasonable, appropriate, and necessary for Respondent's violations of R.C. Chapter 1322 and the rules promulgated thereunder.

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 revoking Respondent's loan officer license and imposing a fine of three thousand dollars (\$3,000).

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: Stephen E. DeFrank, Jr., Consumer Finance Attorney Examiner, 77 South High Street, 21st 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.

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 revoking Respondent's loan officer license and imposing a fine of three thousand dollars (\$3,000).

Signed and sealed this 8th day of January 2009.

LEIGH A. WILLIS

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