

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

In the matter of:)	
ALTA FINANCIAL CORP.)	Case No. 03-MB-S-06-01
OF OHIO)	
6717 Tylersville Rd.)	
West Chester, Ohio 45069)	Notice of Intent to Assess Fine and Suspend
)	Mortgage Broker Certificate of Registration
)	&
)	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 enforcing the Ohio Mortgage Broker Act, codified in Ohio Revised Code ("R.C.") Chapter 1322.

Alta Financial Corporation of Ohio ("Respondent") is a Georgia corporation registered with the Division as a mortgage broker pursuant to R.C. Chapter 1322. The business address of record for Respondent's office in Ohio is 6717 Tylersville Rd., West Chester, Ohio 45069. Said registrant holds a license to operate this Ohio office under the registration number MB 2925. The Registrant's main office is at 531 Roselane Street, Suite 600 Marietta, Georgia 30060.

ALLEGATIONS

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

In June 2001 the Respondent's branch office in West Chester, Ohio at 6717 Tylersville Road, a residence owned and occupied by Gary Nickell, a loan officer with Respondent at the time, was sold to Jason and Allison Bowers. The Bowers do not have, and have not had, any business relationship with Respondent. The 6717 Tylersville Road, West Chester, Ohio location is the only branch office of the Respondent registered to operate in Ohio as a mortgage broker business. The Respondent failed to notify the Division of Financial Institutions of the closure of its West Chester, Ohio office. The Respondent continues to solicit business and to broker mortgages in Ohio, notwithstanding the fact that it has had no licensed registered office in Ohio since June 1, 2001. In sum, it has been discovered that the listed Ohio office for Alta Financial Corporation of Ohio has been closed without notice to the Division. No relocation of this office was noticed pursuant to O.A.C. §1301:8-7-03, and no other office location in Ohio is known to the Division. A mortgage broker registrant is required by law to maintain an office in Ohio

pursuant to R.C. § 1322.02(A)(1). Notwithstanding the closure of its sole registered Ohio office, Respondent has continued to engage in the mortgage broker business for property and buyers located in Ohio.

In Respondent's 2002 Renewal Application to the Division it was stated in writing in March of 2002 and attested on July 11, 2002 by its corporate officers Rick Krogh, President, Kinley Shell, Vice President, and C. Randall Krogh, Vice President that there had been no change in location of any of its licensed or registered business locations within the past year. It was also attested to by them in said document of July 11, 2002 that the Respondent had not been fined by any governmental authority within the past year. In truth and fact, Respondent no longer operated its registered office in West Chester, Ohio as of June 1, 2001; and Respondent had been fined \$2000 (one \$1000 fine and two \$500 fines) by the Georgia Department of Banking and Finance on December 4, 2001.

It is a violation of R.C. § 1322.07(A) for a mortgage broker registrant to make any substantial misrepresentation in any registration or license application. A Registrant is prohibited by R.C. § 1322.07(B) from making false statements of a material fact or engaging in a continued course of misrepresentations.

Respondent failed to complete the continuing education ("CE") requirement for its operations manager as set forth in R.C. § 1322.052 notwithstanding the extension of the deadline for completion by the Division from December 31, 2002 to March 30, 2003. The continuing education was instead completed on April 16, 2003

FINDINGS

Based upon the facts set forth in the allegations above, the Division has determined that Respondent, Alta Financial Corporation of Ohio, has no operating office in Ohio in violation of R.C. § 1322.02(A)(1); has failed to timely notify the Division of any relocation of its Ohio office in violation of O.A.C. §1301:8-7-03; has made substantial misrepresentations in its 2002 Renewal Application in violation of R.C. § 1322.07(A); and has made false statements of material fact and engaged in a continued course of misrepresentations in violation of R.C. § 1322.07(B) by continuing to hold itself out since June 1, 2001 as a properly licensed and registered mortgage broker in Ohio, when its failure to maintain a registered office in Ohio since that time prevented it from continuing to properly conduct a mortgage broker business pursuant to R.C. § 1322.02(A)(1).

In addition, based upon the facts set forth in the allegations above, the Division has determined that Respondent, Alta Financial Corporation of Ohio, has failed to timely complete its required 2002 continuing education course hours in violation of R.C. § 1322.052.

PROPOSED ACTION

Based upon the allegations and findings above, the Division intends to SUSPEND for six months the Mortgage Broker Certificate of Registration MB 2925 for ALTA FINANCIAL CORPORATION OF OHIO and LEVY a FINE of \$50,000.

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 SUSPENDING for six months the mortgage broker certificate of registration MB 2925 for ALTA FINANCIAL CORPORATION OF OHIO effective upon the issuance of this order, and to impose a FINE of \$50,000.

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 to:

State of Ohio
Department of Commerce
Division of Financial Institutions
Attn: Attorney Timothy C. Winslow
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 SUSPENDING for six months the mortgage broker certificate of registration MB 2925 for ALTA FINANCIAL CORPORATION OF OHIO's West Chester, Ohio branch office and assessing a FINE of \$50,000.

Signed and Sealed this _____ day of _____, 2003.

ROBERT M. GRIESER
Deputy Superintendent of Consumer Finance

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

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