

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

In the matter of:)	Case No. M2007-651
)	
CHERYL L. WOLCOTT)	Notice of Intent to Revoke Loan Officer License
5613 Marshall)	&
Sylvania, OH 43560)	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.

RESPONDENT

CHERYL L. WOLCOTT (“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’s employer of record is Cheryl L. Wolcott dba Pyramid Financial Services, 6465 Monroe Street, Suite 204-A, Sylvania, Ohio 43560.

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.

BASIS FOR PROPOSED ACTION

The Division has conducted an investigation of Respondent, pursuant to R.C. 1322.031(B), and has found the following:

- A. The Division is authorized by R.C. 1322.10(A)(1)(a) to revoke a loan officer license if the Division finds that the applicant has violated “or failed to comply with any provisions 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. R.C. 1322.01(E) defines “loan officer” as an employee who originates mortgage loans in consideration of direct or indirect gain, profit, fees, or charges.
- C. R.C. 1322.01(C) defines an “employee” as an individual for whom a mortgage broker, in addition to providing a wage or salary, pays social security and unemployment taxes, provides workers’ compensation coverage, and withholds local, state, and federal income taxes.
- D. Respondent, as a sole proprietor, holds mortgage broker certificate of registration MB.801603.000 in the name Cheryl L. Wolcott dba Pyramid Financial Services.

- E. On or about April 11, 2006, Leonard A. Mathis began employment as a loan officer with Respondent's mortgage brokerage, which failed to pay social security and unemployment taxes, did not provide workers' compensation coverage, and did not withhold local, state, and federal income taxes on behalf of Mr. Mathis.
- F. Leonard A. Mathis did not receive a W-2 Wage and Tax Statement from Respondent for calendar years 2005 and 2006.
- G. R.C. 1322.07(C) prohibits a licensee from engaging in conduct that constitutes improper, fraudulent, or dishonest dealings.
- H. On or about May 4, 2007, in response to a subpoena duces tecum issued to Respondent by the Division, Respondent provided the Division with fraudulent W-2 Wage and Tax Statements for calendar years 2005 and 2006 that were allegedly issued to Mr. Mathis.

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

- 1. By failing to employ a loan officer as an employee, as set forth in paragraphs E and F, Respondent violated R.C. 1322.01(C) and (E).
- 2. By providing the Division with fraudulent W-2 Wage and Tax Statements, as set forth in paragraph H, Respondent violated R.C. 1322.07(C), which prohibits a licensee from engaging in fraudulent and improper conduct.
- 3. Because Respondent violated or failed to comply with R.C. sections 1322.01(C) and (E) and 1322.07(C), the Division is authorized under R.C. 1322.10(A)(1)(a) to revoke Respondent's loan officer license.

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.

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 Siciliano, Consumer Finance General Counsel, 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.

Signed and sealed this 19th day of October 2007.

LEIGH A. WILLIS

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