

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

In the matter of:	)	Case No. M2007-38
	)	
<b>VILLA MORTGAGE, INC.</b>	)	<b>Notice of Intent to Revoke Mortgage Broker Registration</b>
2796 Mack Road	)	&
Fairfield, OH 45014	)	<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. In accordance therewith, the Division is accountable for the registration of mortgage brokers.

**RESPONDENT**

**VILLA MORTGAGE, INC.** ("Respondent") is a company that holds a certificate of registration to engage in business as a mortgage broker pursuant to R.C. Chapter 1322. Respondent's business address of record is 2796 Mack Road, Fairfield, Ohio 45014.

**NOTICE OF PROPOSED ACTION**

In accordance with sections 1322.04 and 1322.10 of the R.C., and R.C. Chapter 119, the Division intends to REVOKE Respondent's 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 has found the following:

- A. The Division is authorized by R.C. 1322.10(A)(1)(a) to revoke a mortgage broker certificate of registration 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. 1322.02(A)(1) provides that no person, on the person's own behalf or on behalf of any other person, shall act as a mortgage broker without first having obtained a certificate of registration from the Division for every office to be maintained by the person for the transaction of business as a mortgage broker in this state.
- C. R.C. 1322.02(A)(2) provides that no person shall act or hold that person's self out as a mortgage broker under the authority or name of a registrant without first having obtained a certificate of registration from the Division for every office to be maintained by the person for the transaction of business as a mortgage broker in this state.
- D. In or around 2006 from its unregistered Jackson, Ohio office, Respondent originated first-lien residential mortgage loans for the following persons: Mark D. and Bridget D. Cales; Arnold W. Childers; Jeremy Clemons; Robert L. and Garnet L. Crace; Mathew R. and Stacey L. Davidson; Jeremy and Stephanie Davis; Jeremy D. Downard; Elaine R. Drake;

Talmage J. and Christina R. Evans; Chris Fisher; Willard E. and Lisa A. Ford; Chad and Katendra Lewis; Larry A. and Angela D. Martin; Dennis D. and Anna M. Miller; Russell W. Miller, II; Joshua Moon; Gerald and Jerri Nelson; Thomas M. Patterson; Jeremy D. Phillips; James C. and Marsha C. Rister; Phyllis J. Skaggs; Robert and Carey Smart; Jeremy L. and Heather M. Smith; Don L. and Stephanie R. Steiniger; Paul R. Stumbo; Timothy S. Sturgill; Tyson Swann; and Samantha L. Tackett.

- E. R.C. 1322.02(B) prohibits anyone, on the person's own behalf or on behalf of any other person, from acting as a loan officer without first having obtained a license from the Division.
- F. In 2006, at Respondent's unregistered Jackson, Ohio office, Respondent employed Sheri L. Sturgill, an unlicensed individual, as a loan officer—as defined in R.C. 1322.01(E)—who originated first-lien residential mortgage loans for the following persons: Timothy S. Sturgill; Jeremy Clemons; Jeremy and Stephanie Davis; Willard E. and Lisa A. Ford; Larry A. and Angela D. Martin; and Gerald and Jerri Nelson.
- G. In 2006, at Respondent's unregistered Jackson, Ohio office, Respondent employed Maria J. Colvin, an unlicensed individual, as a loan officer—as defined in R.C. 1322.01(E)—who originated first-lien residential mortgage loans for the following persons: Phyllis J. Skaggs; Stacey L. Davidson; Russell W. Miller, II; and Talmage J. and Christina L. Evans.
- H. R.C. 1322.062 requires a mortgage broker registrant, like Respondent, to deliver to the buyer a mortgage loan origination disclosure statement, with certain information concerning the loan disclosed therein, within three business days after taking a loan application from a buyer.
- I. R.C. 1322.07(F) provides that no mortgage broker shall knowingly instruct, solicit, propose, or otherwise cause a buyer to sign in blank a mortgage related document.
- J. In 2006, Respondent, through its employees Larry Fisher and/or Sheri L. Sturgill and/or Maria J. Colvin, knowingly instructed, solicited, proposed, or otherwise caused the following persons to sign in blank mortgage loan origination disclosure statements: Arnold W. Childers; Elaine R. Drake; Chris Fisher; Chad Lewis; Dennis D. and Anna M. Miller; Russell W. Miller, II; Joshua Moon; James C. Rister; Phyllis J. Skaggs; Carey and Robert Smart; Don L. and Stephanie R. Steiniger; Paul R. Stumbo; Tyson Swann; and Samantha L. Tackett.
- K. In 2006, Respondent entered into a contract with Jackson County Broadcasting, Inc. of Jackson, Ohio to run a radio advertisement(s) that encouraged listeners who need a home loan to “stop and see Larry Fisher, Maria Colvin, or Sherri [sic] Sturgill at Villa Mortgage, 920 Veterans Drive in Jackson[, Ohio].”
- L. In 2006, Respondent's website [www.villamortgage.com](http://www.villamortgage.com) listed an office location in Jackson, Ohio at 920 Veterans Dr., Suite A, with phone number 740-286-8100 and fax number 740-286-8177.

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

- 1. By originating loans from an unregistered location as set forth in paragraph D above, Respondent violated R.C. 1322.02(A)(2).

2. By employing unlicensed individuals as loan officers as set forth in paragraphs F and G above, Respondent violated R.C. 1322.02(B) and 1322.07(C), which prohibits a registrant from engaging in improper conduct.
3. By holding out unlicensed individuals as loan officers to the public through a radio advertisement as set forth in paragraph K above, Respondent violated R.C. 1322.07(C), which prohibits a registrant from engaging in improper conduct.
4. By knowingly instructing, soliciting, proposing, or otherwise causing buyers to sign in blank mortgage related documents as set forth in paragraph J above, Respondent violated R.C. 1322.07(F).
5. By soliciting business for an unregistered location through a radio advertisement and a website as set forth in paragraphs K and L above, Respondent violated R.C. 1322.07(C), which prohibits a registrant from engaging in improper conduct.
6. Because Respondent violated or failed to comply with R.C. sections 1322.02(A)(1), (2) and (B) and 1322.07(C) and (F), the Division is authorized under R.C. 1322.10(A)(1)(a) to revoke Respondent's mortgage broker certificate of registration.

#### **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 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 General Counsel, 77 South High Street, 21<sup>st</sup> 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. At the hearing, a corporation must have a representative that is permitted to practice before the Agency, such as 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 revoking Respondent's certificate of registration.

Signed and sealed this 30<sup>th</sup> day of May 2007.

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**RICHARD F. KECK**

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