

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

In the matter of:	)	Case No. M2008-527
	)	
<b>FREEDOM BANC MORTGAGE</b>	)	<b>Notice of Intent to Revoke Mortgage</b>
<b>SERVICES, INC.</b>	)	<b>Broker Certificate of Registration and</b>
325 Cramer Creek Court, Suite 205	)	<b>Notice of Intent to Impose Fine</b>
Dublin, Ohio 43017	)	<b>&amp;</b>
	)	<b>Notice of Opportunity for a Hearing</b>
	)	

---

**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**

**FREEDOM BANC MORTGAGE SERVICES, INC.** ("Respondent") holds a mortgage broker certificate of registration issued by the Division. Its last known business address of record is 325 Cramer Creek Court, Suite 205, Dublin, Ohio 43017.

**NOTICE OF PROPOSED ACTION**

In accordance with R.C. 1322.10, and pursuant to R.C. Chapter 119, the Division intends to REVOKE Respondent's mortgage broker certificate of registration and to IMPOSE A FINE of twenty-five thousand dollars (\$25,000.00) against Respondent.

**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 mortgage broker certificate of registration if the superintendent finds that a mortgage broker 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. 1322.06(A) to examine mortgage broker records that "[pertain] to business transacted pursuant to sections 1322.01 to 1322.12 of the Revised Code."
- C. The Division is authorized by R.C. 1322.10(A)(2) to impose a fine against a mortgage broker registrant of not more than one thousand dollars for each day a violation of a law or rule is committed, repeated, or continued. If the registrant engages in a pattern or repeated violations of a law or rule, the Division is authorized to impose a fine

against a mortgage broker registrant of not more than two thousand dollars for each day a violation of law or rule is committed, repeated, or continued.

- D. R.C. 1322.02(B) prohibits any person from acting as a “loan officer” without first having obtained a license from the superintendent.
- E. 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.
- F. R.C. 1322.031(E)(2) prohibits a mortgage broker from employing a loan officer on a temporary basis pending the transfer of the loan officer’s license to the mortgage broker unless the mortgage broker receives written confirmation from the superintendent that the loan officer is licensed under sections 1322.01 to 1322.12 of the Revised Code.
- G. On or about June 12, 2006, Benjamin L. Wilcox submitted an application for a loan officer license which identified his employer as Home Loan USA Corporation.
- H. On or about July 24, 2006, the Division requested Mr. Wilcox provide additional information within 21 days of the date of the letter. The letter stated that review of Mr. Wilcox’s application could not proceed without the information and warned that if the requested information was not received within ninety (90) days, Mr. Wilcox’s application would be withdrawn.
- I. On or about September 20, 2006, the Division received a “Loan Officer License Transfer Application” from Respondent indicating that effective September 12, 2006 Respondent was the new employer of Benjamin L. Wilcox (LO.017480.001). The Transfer Application included a certificate of employment that was not notarized and a blank “Request for Confirmation of Loan Officer License Status” form.
- J. Because Respondent failed to request written confirmation of Mr. Wilcox’s loan officer status to work, no written confirmation was provided to Respondent.
- K. On or about November 7, 2006, the Division withdrew the 2006 loan officer license application submitted by Mr. Wilcox for failure to respond to the Division’s request for information necessary to complete his application and informed Mr. Wilcox he was not authorized to originate mortgage loans governed under R.C. Chapter 1322 “in consideration of direct or indirect gain, profit, fees or charges.” The Division further informed Mr. Wilcox that to work as a loan officer he would have to submit a new loan officer license application.
- L. In a compliance examination conducted pursuant to R.C. 1322.06 on March 12, 2008, it was determined that Respondent allowed Mr. Wilcox to originate residential mortgage refinance loans in violation of R.C. 1322.02(B) and Ohio Admin. Code 1301: 8-7-08(B).
- M. Respondent’s records obtained during the compliance examination indicate that on or about September 21, 2006, October 5, 2006, October 17, 2006, October 21, 2006, November 9, 2006 and November 22, 2006, Mr. Wilcox originated and/or acted as a loan officer on Respondent’s behalf to refinance six residential mortgage loans.

- N. Respondent's records obtained during the compliance examination indicate that Respondent was paid for brokering the six residential mortgage refinance loans originated by Mr. Wilcox.
- O. On or about January 8, 2007 the Division received a loan officer license application from Mr. Wilcox seeking to obtain a loan officer license to work as an employee for Respondent. The January 8, 2007 application was withdrawn on July 2, 2007 for failure to submit requested information. Mr. Wilcox submitted another application on October 10, 2007 to work for Mortgatopia, LLC and a loan officer license was issued to him on November 8, 2007.

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

- 1. Respondent violated R.C. 1322.02(B) by permitting an unlicensed person to act as a loan officer and to originate mortgage loans for direct or indirect gain, profit, fees or charges.
- 2. Respondent violated R.C. 1322.031(E)(2) by permitting an unlicensed loan officer to originate mortgage loans without first obtaining written confirmation of the loan officer's status from the Division.
- 3. Respondent violated R.C. 1322.07(C) by holding out an unlicensed individual to the public as a person permitted to act as a loan officer.
- 4. Because Respondent committed violations of R.C. 1322.02(B), 1322.031(E)(2) and 1322.07(C), pursuant to R.C. 1322.10(A)(1)(a), the Division is authorized to revoke Respondent's certificate of registration.
- 5. Because Respondent committed violations of R.C. 1322.02(B), 1322.031(E)(2) and 1322.07(C), the Division may impose a fine up to two thousand dollars (\$2,000.00) for each of Respondent's violations.
- 6. Because Respondent violated R.C. 1322.02(B), R.C. 1322.031(E)(2), and R.C. 1322.07(C), Respondent's certificate of registration should be revoked pursuant to 1322.10 (A)(1)(a) and a fine of twenty-five thousand dollars (\$25,000.00) should be imposed pursuant to R.C. 1322.10(A)(2).
- 7. A fine of twenty-five thousand dollars (\$25,000.00) is reasonable, appropriate and necessary.

#### **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 mortgage broker certificate of registration and imposing a fine of twenty-five thousand dollars (\$25,000.00).

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: Lori Massey, Consumer Finance Attorney Examiner, 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. Note: a limited liability company must be represented by a person who is legally authorized to appear 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 mortgage broker certificate of registration and imposing a fine in the amount of twenty-five thousand dollars (\$25,000.00).

Signed and sealed this 25<sup>th</sup> day of November, 2008.

---

**LEIGH A. WILLIS**

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