

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

In the matter of:	)	Case No. M2006-9992828
ALPHA MORTGAGE COMPANY	)	
OF OHIO, INC.	)	<b><u>DIVISION ORDER</u></b>
27801 Euclid Avenue- Suite 320	)	<b>Denial of Mortgage Broker Certificate</b>
Euclid, OH 44132	)	<b>of Registration Application &amp;</b>
	)	<b>Notice of Appellate Rights</b>

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Respondent, Alpha Mortgage Company of Ohio, Inc. ("Respondent"), submitted an application for a mortgage broker certificate of registration ("Application") to the Division of Financial Institutions ("Division") on May 18, 2005. On June 8, 2006 the Division notified Respondent that it intended to deny its certificate of registration application because:

(1) Corriitha Wells, the sole shareholder, proposed Operations Manager, and President of Respondent, in violation of R.C. 1322.07(A), (B), and (C), wrongfully denied and failed to disclose in her 2005 loan officer license renewal application that she had been named in a lawsuit that involved consumer or real estate lending or brokering brought by Patrice Frazier, CV-04-526340 in the Cuyahoga County Court of Common Pleas;

(2) Corriitha Wells, the sole shareholder, proposed Operations Manager, and President of Respondent, in violation of R.C. 1322.07(A), (B), and (C), wrongfully denied and failed to disclose in her 2006 loan officer license renewal application that she had been named in a lawsuit that involved consumer or real estate lending or brokering brought by Jeanine King Chaplin CV-05-560619 in the Cuyahoga County Court of Common Pleas;

(3) Corriitha Wells, the sole shareholder, proposed Operations Manager, and President of Respondent, in violation of R.C. 1322.07(C), engaged in conduct constituting improper, fraudulent, or dishonest dealings by working for several months in 2003 as a loan officer for Ace Home Loans, Inc. without being properly licensed and by failing to properly request a transfer as required by R.C. 1322.031(E)(2);

(4) Due to Corriitha Wells, Respondent's sole owner's violations of R.C. 1322.07(A), (B) and (C) as set forth above, Respondent does not meet the condition outlined in R.C. 1322.04(A)(6) requiring compliance with the Ohio Mortgage Broker Act, which is a condition of licensure; and

(5) Due to Corriitha Wells, Respondent's sole owner's violations of R.C. 1322.07(A), (B), and (C) as set forth above, Respondent's character and general fitness do not command the confidence of the public and do not warrant the belief that its business will be operated honestly and fairly in compliance with the Ohio Mortgage Broker Act as required by R.C. 1322.04(A)(10) in order to obtain a certificate of registration.

Pursuant to R.C. 1322.10(A)(1)(a), the Superintendent of Financial Institutions may refuse to issue a certificate of registration if the superintendent finds a violation of or failure to comply with any provision 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.

On June 8, 2006, the Division also notified Corriitha Wells, the sole shareholder, proposed Operations Manager and President of Alpha Mortgage Company of Ohio, Inc., that the Division intended to deny her application for the renewal of her loan officer license for reasons arising from those presented in the previous paragraphs, due to her conduct.

Respondent requested an administrative hearing regarding the denial of its certificate of registration application, and a hearing was held on September 12, 2006.<sup>1</sup> A Report and Recommendation ("Report") was filed with the Division on December 13, 2006, recommending that the Division grant Respondent's application.<sup>2</sup> No objections were filed.

In accordance with R.C. 119.09, the Division has considered the record, consisting of the Report, the transcript of testimony and exhibits, as well as all applicable laws. As a result, the Division makes the following findings and conclusions. Any finding and/or conclusion not specifically addressed below is approved, adopted, and incorporated herein. (The Hearing Examiner's Report is attached).

The Division disapproves paragraph 4 and 7 in the Findings of Fact and the first paragraph of the Conclusions of Law.

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<sup>1</sup> The hearing was combined with one on the Division's proposed denial of the renewal loan officer license of Corriitha Wells. See *In re Corriitha Wells*, case no. M2006-9992829.

<sup>2</sup> The Report and Recommendation also dealt with the Division's action against Corriitha Wells. case no. M2006-9992829. A separate order of the Division addresses the Report as to the denial of the loan officer's application for a renewal license

The record clearly established that Corriitha Wells responded “no” to question number 5, on both her 2005 and 2006 loan officer renewal applications, which asks: *“Have you been named in any civil or administrative action that involved insurance, securities, or consumer or real estate lending or brokering? Include pending actions.”* It is uncontroverted that during the applicable sixteen month period prior to both the 2005 and 2006 renewal applications, Corriitha Wells had in fact been named in at least one pending lawsuit. (State’s exhibits D, E, F, G, H, I).

Corriitha Wells testified that she answered question 5 on her 2005 and 2006 renewal applications “No” because she thought “named in a civil...action” meant whether or not she was found guilty of something (Tr. 29, 30), and that as she understood of the meaning of the question she was “proven innocent until guilty.” (Tr. 29) She testified that she did not seek anybody’s advice as far as the definition of “named.” (Tr. 30) After her attorney asked her, “I mean, did you—did you understand—did you understand the question at the time?” She replied “No. But I know I should have asked somebody. But at the time I’m thinking, you know—just signed it and—and go on and finish with my client.” (Tr. 97).

“Name” means “to mention or identify by name” or “to mention explicitly: specify”. (*Miriam-Webster Online Dictionary*, <http://www.m-w.com/cgi-bin/dictionary>). An individual is able to clarify the meaning of the question on the application through the use of an ordinary dictionary; the Division finds that a lay person without any specialized education could ascertain the meaning of this question on the Loan Officer Renewal Application. Further, the Ohio Mortgage Broker Act requires that loan officer licensees comply with the law, pass an examination which requires an understanding of the law, and complete yearly continuing education regarding their duties. (R.C. 1322.041(A)(2); 1322.051, and 1322.052). The notion that a person has the fitness to operate in compliance with the purposes of the Ohio Mortgage Broker Act as required by R.C. 1322.041(A)(5) cannot be sustained where that person is unable to understand the simple inquiry and instructions set forth in question 5. The Superintendent cannot be confident that Respondent will understand and follow the law and applicable rules where its sole shareholder, proposed Operations Manager and President is unable to understand and follow the simple questions and directions of the Division’s loan officer application.

The importance of accurate information of the loan application is vital to the Division’s review and consideration to fulfill its legal obligations under the Mortgage Broker Act. For this

reason the application clearly cautions and requires that the loan officer swear or affirm its accuracy as follows:

I swear or affirm that this Application was prepared or reviewed by me and constitutes a complete and accurate statement. I further realize that false responses are a crime and can result in denial of license renewal or later revocation of the license/certificate.

Information concerning pending and prior lawsuits is a particularly important material fact for licensing purposes, especially in this situation where the lawsuits pertain to a licensed loan officer being sued due to her conduct in brokering mortgage loans. With this in mind, the Division finds that Corriitha Wells' untruthful answer to Question 5 of the Renewal Application is a serious violation, which by its nature prevented the Division from conducting a proper review and determining whether the loan officer should be granted a license. Corriitha Wells in so doing violated R.C. 1322.07(A) which prohibits an applicant from "mak[ing] any substantial misrepresentation in any ...license application," as well as R.C. 1322.07(B) which prohibits an applicant from "[m]ak[ing] false or misleading statements of a material fact, [or] omissions of statements required by state law[.]"<sup>3</sup>

The Division also finds that Corriitha Wells' failure to disclose being named in civil lawsuits on her renewal applications constituted improper dealings in violation of R.C. 1322.07(C). The interpretation of R.C. 1322.07 in the Report is in error. (Report, Paragraph 1 of the Conclusions of Law). R.C. 1322.07(A), (B), and (C) do not require a deliberative act for their violation. In contrast to 1322.07(E) and (F), which use of the term "knowingly," R.C. 1322.07(A), (B), and (C) do not employ such language. Accordingly, an applicant that fails to carefully read and answer each question in a loan officer application, swears to its veracity, and then files such application with the Division is in violation of R.C. 1322.07(A), (B), and (C) when such answer is patently untrue. Here, Corriitha Wells claims her failure to disclose being named in civil lawsuits on the Applications was due to her alleged misunderstanding as to what information was sought by, what the Division believes, is a straightforward question.

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<sup>3</sup> Given its ordinary meaning, "false" is defined as "untrue, a false statement." (*Black's Law Dictionary, Seventh Edition*, 1990, p. 618). The term "omission" is defined as "the act of leaving something out." (*Black's Law Dictionary, Seventh Edition*, 1999, p. 1116.) And, "omit" means "to leave out or leave unmentioned." (*Miriam-Webster Online Dictionary*, [www.m-w.com/dictionary/omit](http://www.m-w.com/dictionary/omit)). Accordingly, by answering "No" to Question 5 on the license application, Respondent violated R.C. 1322.07(B).

Corritha Wells' inability to understand a direct question—or to seek clarification—evidences a lack of the requisite fitness needed of a loan officer, operations manager, or owner of a mortgage broker company. On a daily basis loan originators deal with consumers' personal financial information and counsel them on what is most often their largest financial investment. Being able to comprehend, evaluate and explain complicated mortgage documents is a vital part of the job. By not understanding a simple question on the Application, Corritha Wells has demonstrated to the Division that she does not hold the requisite fitness required of an operations manager or owner of a mortgage broker registrant. R.C. 1322.10(A)(10) states:

For the purposes of determining whether an applicant that is a partnership, corporation, or other business entity or association has met the conditions set forth in divisions (A)(7), (A)(8), and (A)(10) of this section, the superintendent shall determine which partners, shareholders, or persons named in the application pursuant to division (A)(2) of section 1322.03 of the Revised Code must meet the conditions set forth in divisions (A)(7), (A)(8) and (A)(10) of this section. The determination shall be based on the extent and nature of the partner's, shareholder's, or person's ownership interest in the partnership, corporation, or other business entity or association that is the applicant.

Due to Corritha Wells' violations of R.C. 1322.07(A), (B), and (C), the Division finds that Alpha Mortgage Company of Ohio, Inc., due to the actions of Corritha Wells, its sole shareholder, president and proposed operations manager, lacks the experience, character, and general fitness to command the confidence of the public and warrant the belief that the business will be operated honestly and fairly in compliance with the purposes of sections 1322.01 to 1322.10 of the Revised Code. For this reason, together with Corritha Wells' violation of R.C. 1322.07(A), (B), and (C), the Division finds that Respondent's experience, character and general fitness do not command the confidence of the public and warrant the belief that her business will be operated honestly and fairly in compliance with the purposes of the Ohio Mortgage Broker Act. R.C. 1322.04(A)(10).

In support of her position that she should be issued a loan officer license and Alpha Mortgage Company of Ohio, Inc. should be issued a certificate of registration, Corritha Wells presented: her own testimony; testimony of Shaniene Young, a business associate; and unsworn

letters by five additional individuals who were unavailable for cross examination (in addition to a letter by Ms. Young). Ms. Young's testimony was of minimal value in that it failed to shed light on any of the allegations set forth by the Division. In fact, it was unclear from her testimony whether she even knew the substance of the Division's allegations against Ms. Wells. The letters from the five individuals failed to mention the specific nature of the allegations by the Division of Financial Institutions, nor do they address, let alone corroborate, her contention that she misunderstood the question.

The Division also disapproves paragraphs #5 and #7 in the Report's proposed Findings of Fact and Paragraph #2 in the Conclusions of Law. Corriitha Wells testified that she received a loan officer license from the Division to work for Ace Home Loan, Inc. in August 2003. (Tr. 46) She claims in her testimony that on July 5, 2003, she completed the first page of the Loan Officer License Transfer Application, (Respondent's Exhibit I) and a letter (Respondent's Exhibit E) and placed it in the outgoing mail bin for the owner of her employer All in One Financial, Inc. to place a check in the envelope and for the receptionist to give to the postman. (Tr. 90-91) Upon further questioning, Ms. Wells stated that she only sent in the first page of the application (Tr. 113). The first page of the transfer application stated in boldface "Certificate of Employment must be submitted with this application." (Tr. 113, 114, State's Exhibit J) The certificate of employment was the second page of the transfer application, which Corriitha Wells testified she did not send in July 2003. (State's Exhibit J, Tr. 113). It is undisputed that the Division of Financial Institutions failed to receive a complete transfer application from Corriitha Wells in July 2003.

Despite Ms. Wells' testimony as to her belief that she was properly licensed, the totality of the evidence indicates that Corriitha Wells was unauthorized to work as a loan officer for Ace Home Loan, Inc. until December 15, 2003. Respondent and Corriitha Wells rely solely on Corriitha Wells' testimony and has presented no exhibits that can be substantiated to corroborate her testimony that she had communicated to the Division prior to December 2003 to transfer her license. The transfer application submitted by Corriitha Wells was stamped received by the Division of Financial Institutions on December 11, 2003. (State's Exhibit J) The second page of the transfer application, the Certificate of Employment, was signed and notarized by Neal Wolf, owner and operations manager of Ace Home Loan, Inc. on December 3, 2003. (State's Exhibit J)

The Division's records indicate that a license was issued to Corriitha Wells to work for Ace Home Loan, Inc. on December 15, 2003. (Tr. 61). The Division's records indicate that the Division received no request with respect to Ms. Wells' license and transfer prior to December 11, 2003. (Tr. 61). The letter introduced by Corriitha Wells, Respondent's Exhibit E, was not contained in the Division's files. (Tr. 62). Further, by her own evidence Corriitha Wells provided a loan officer license that indicates the issue date of the license was December 15, 2003. (Respondent's Exhibit P). Regarding the \$15 fee for the loan officer transfer application that Corriitha Wells testified was to be sent to the Division on July 5, 2003, Corriitha Wells provided only hearsay testimony that Valencia Morgan, owner of All in One Financial, Inc., had told her that if it was requested of her, she would provide a copy of the cancelled check to Corriitha Wells. (Tr. 104). Nevertheless, Corriitha Wells failed to introduce any evidence of the cancelled \$15 check for the transfer application which she claimed she believed was sent from the office of All In One Financial, Inc. in July 2003.

Consequently, the Division finds that Corriitha Wells, by acting as a loan officer for Ace Home Loan, Inc. while not being properly licensed under the Ohio Mortgage Broker Act, engaged in conduct that is an improper, fraudulent or dishonest dealing in violation of R.C. 1322.07(C).

The Division disapproves the hearing officer's Report & Recommendation Findings of Fact Paragraph 6. The Notice of Intent to Deny Corriitha Wells Loan Officer Renewal License and Notice of Opportunity for a Hearing did not allege nor find that Respondent worked at more than one broker at any one time, therefore this finding of fact that Corriitha Wells did not work at more than one broker at one time is irrelevant and in error. Rather, the Division claimed in its Notice that by working as a loan officer for Ace Home Loans, Inc. without being properly licensed and by failing to request a transfer as required by R.C. 1322.031(E)(2), Corriitha Wells engaged in conduct that constitutes improper, fraudulent, or dishonest dealings in violation of R.C. 1322.07(C).

Lastly, the Division disapproves the Recommendation of Action on page 4 of the Report. The Division has established the basis for and proven the violations of R.C. 1322.07(A), (B), and (C), and in doing so the Division has established Corriitha Wells' lack of compliance with the Ohio Mortgage Broker Act. There is no factual dispute that Corriitha Wells failed in both her

2005 and 2006 renewal applications to disclose that she had been the subject of civil actions involving her mortgage broker activities. There is no factual dispute that her denials on her renewal applications that she had been named as a party to such suits were false. These nondisclosures and denials constitute violations of R.C. 1322.07(A), (B), and (C). There is no requirement in law that the Division show or prove that these false statements, misrepresentations, and omissions were done with intent. Any statement to the contrary in the Report and Recommendation is erroneous and rejected.

The record, as discussed above, thus does not support the conclusion that Alpha Mortgage Company of Ohio, Inc. meets the conditions for a certificate of registration as set forth in 1322.04(A)(6) and (10), but rather plainly establishes the opposite. The Report and Recommendation's conclusions otherwise are based on the faulty premise that the Division must prove intent to establish a violation of 1322.07(A), (B), and (C), as well as the premise that question 5 of the loan officer renewal application is ambiguous and confusing, even to someone who is suppose to understand and comply with their duties under the Mortgage Broker Act and assist borrowers in understanding mortgage documents, credit options, and loan disclosures.

With respect to the Division's allegation that Corriitha Wells operated as a loan officer for Ace Home Loan, Inc. while not being properly licensed, this too was definitively established in the record. The business records of the Division show that Corriitha Wells' request for a transfer was submitted to the Division on December 11, 2003 and approved and issued on December 15, 2005. (State's Exhibit J and Tr. 61). Notwithstanding the purported letter of Corriitha Wells of July 5, 2003 requesting a transfer (Respondent's Exhibit E), a letter that was not in the Division's files (Tr. 61), Corriitha Wells presented no proof that any \$15 transfer fee was paid or received by the Division. Second, filing a transfer application is not sufficient, as such application even if it had been filed does not allow a loan officer to work elsewhere until the transfer has been approved (see R.C. 1322.031(E)(2)). No documents, other than those contradicting Corriitha Wells and supporting the Division that transfer was granted on December 15, 2003, are part of this record. (State's Exhibit J and Respondent's Exhibit P). Finally, the Division finds that Corriitha Wells' conduct in violation of R.C. 1322.07(A), (B), and (C) by making a misrepresentation on question 5 alone constitutes sufficient reason to deny Alpha Mortgage Company of Ohio, Inc.'s certificate of registration application, even without considering Corriitha



Wells' violations of R.C. 1322.07(C) by acting as a loan officer during 2003 while not being properly licensed.

The Division also disapproves the third paragraph of the Conclusions of Law section of the hearing officer's Report and Recommendation that Corriitha Wells' renewal application for a loan officer license not be denied. The Division is simultaneously issuing a separate Division Order denying the loan officer license renewal application of Corriitha Wells due to these violations of R.C. 1322.07(A), (B), and (C). Thus any conclusion of law based on Ms. Wells not being in violation of the Mortgage Broker Act is without foundation.

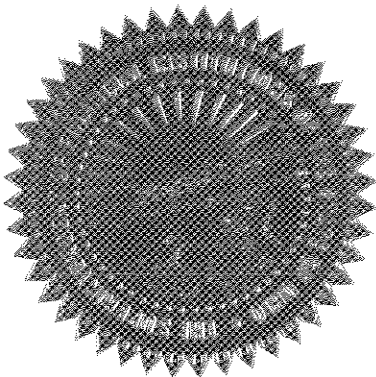
For the reasons stated above, the Division hereby denies the certificate of registration application of Alpha Mortgage Company of Ohio, Inc.


It is so ordered.

**NOTICE OF APPELLATE RIGHTS**

Respondent is hereby notified that pursuant to R.C. 119.12, this Order may be appealed by filing a notice of appeal with the Ohio Division of Financial Institutions setting forth the order appealed from and the grounds for the appeal. A copy of such notice of appeal must, pursuant to R.C. 119.12, must also be filed with the court of common pleas of the county in which the place of business of the Respondent is located, or the county in which the Respondent is a resident. A notice of appeal must be filed within fifteen (15) days after the date of mailing of this Order.

Signed and sealed this 6<sup>th</sup> day of FEB. 2007



  
**RICHARD F. KECK**  
Acting Deputy Superintendent for Consumer Finance  
Division of Financial Institutions  
Ohio Department of Commerce

STATE OF OHIO  
DEPARTMENT OF COMMERCE  
DIVISION OF FINANCIAL INSTITUTIONS

IN RE:       CORRITHA WELLS                               :       CASE #: M2006-9992829  
              ("Applicant #1")                               :  
(Renewal of Loan Officer License)                               :

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IN RE:       ALPHA MORTGAGE                               :       CASE #: M2006-9992828  
              COMPANY OF OHIO, INC.                               :  
              ("Applicant #2")                               :  
(Mortgage Broker Certificate                               :  
of Registration Application)                               :

(Collectively Applicant #1 and Applicant #2 are referred to as the "Applicants.")

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:       MARK J. BALLENGER, ESQ.  
:       ADMINISTRATIVE HEARING  
:       OFFICER  
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**ADMINISTRATIVE HEARING OFFICER'S  
REPORT & RECOMMENDATION**  
Issued December 13, 2006

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**These cases were heard concurrently. They have been dealt with jointly here.**

**BACKGROUND**

On or about June 8, 2006, the Ohio Division of Financial Institutions ("the State") served Applicant #1 with notice that it intended to deny the renewal of her loan officer license. Also, on June 8, 2006, the State served Applicant #2 with notice that it intended to deny its mortgage broker certificate of registration. During the first two weeks of July 2006, the Applicants requested a hearing concerning the intended denials. In turn, the Applicants' requests were honored.

These cases were heard on September 12, 2006, beginning at 2:01 p.m. at 77 S. High Street, 23rd Floor, West Conference Room, in Columbus, Ohio. A stenographic record was made of the proceedings. A transcript of the hearing was received for preparation of this report on September 29, 2006.

The parties attended the hearing. The Applicants were represented by Attorney Patrick I. Jackson. Assistant Attorney General Theodore L. Klecker represented the State.

This Report & Recommendation is hereby filed with the Superintendent of the Division of Financial Institutions and the Applicants.

**INDEX OF EXHIBITS ADMITTED TO RECORD**

**Exhibit #/Document I.D.      Description of Exhibit**

**STATE'S EXHIBITS**

1. A-1 Notice of Intent to Deny Mortgage Broker Certificate of Registration Application of Alpha Mortgage Company of Ohio, Inc., with cover letter, and certified mail receipts
2. A-2 Notice of Intent to Deny Loan Officer Renewal Application of Applicant #1, with cover letter, and certified mail receipts
3. B-1 7/7/06, letter from the Applicant #2's Attorney
4. B-2 6/29/06, letter from the Applicant #1's Attorney
5. C-1 7/13/06, Notice of Hearing with certified mail receipts
6. C-2 7/7/06, Notice of Hearing with certified mail receipts
7. D 2005 Loan Officer Renewal Application
8. E 2006 Loan Officer Renewal Application
9. F 3/26/04, Complaint in a civil suit, Cuyahoga Common Pleas Court, Case No. CV-04-526340
10. G Docket in Case No. CV-04-526340
11. H 1/25/05, Second Amended Complaint in Cuyahoga Common Pleas Court, Case No. CV 05-560619
12. I Docket in Case No. CV 05-560619
13. J 12/11/03, Loan Officer License Transfer Application
14. K Two Affidavits of Employment
15. L Schedule of Applicant #1's commissions with cover page
16. M Disclosure Form and related documents
17. N Disclosure Form and related documents
18. O Certificate of Registration Application
19. P Mortgage Broker Loan Officer Licenses

**APPLICANTS' EXHIBITS**

20. A Applicants' pre-hearing brief
21. B Docket sheets for Case No. CV-04-526340
22. C Loan Officer License Renewal Application for the year of 2005
23. D Loan Officer License Renewal Application for the year of 2006
24. E Applicant #1's Request for License Transfer
25. F Affidavit of Employment for All in One Financial Services
26. G Affidavit of Employment for Ace Home Loans
27. H Applicant #1's W-2 Tax Statement for Ace Home Loans
28. I Loan Officer License Transfer Application
29. J Certificate of Employment
30. K Request for Confirmation of Loan Officer Status
31. L Applicant #1's Time Sheet for All in One Financial Services
32. M Applicant #1's Loan Officer License
33. N Applicant #1's Loan Officer License
34. O Applicant #1's Loan Officer License
35. P Applicant #1's Loan Officer License
36. Q Letter of Support for Applicant #1
37. R Letter of Support for Applicant #1
38. S Letter of Support for Applicant #1
39. T Letter of Support for Applicant #1
40. U Letter of Support for Applicant #1
41. V Letter of Support for Applicant #1

### **TESTIMONY GIVEN BY**

- Applicant #1
- Shaniene Young on behalf of Applicant #1
- State's Witness, Martha S. Palazij, Attorney-Examiner, Office of Consumer Affairs

### **FINDINGS OF FACT**

1. The State individually advised each of the Applicants of the reasons for its intent to deny Applicant #1, the Renewal of her Loan Officer License and Applicant #2, a Mortgage Broker Certificate of Registration. (See the attached 2 sets of documents, marked "Copy #1" and "Copy #2".)
2. Applicant #1 is the sole shareholder of Applicant #2, which has not done any business in Ohio. (Tr.<sup>1</sup> pp. 25-26.)
3. First, Applicant #1 indicated she had not been "named" in civil actions in her March 2005 and March 2006 renewal applications, when in fact she had been made a party to civil actions in each of those years. (Tr. pp. 27-40 and Exhs. #7, #8, #9, #10, #11, and #12.)
4. Applicant #1 admitted she had failed in her renewal applications to indicate she was "named" in lawsuits, but she explained she had simply misunderstood what it meant to be "named." She had thought the term, "named" meant "liable" versus just being identified as a party to a lawsuit, regardless of liability. (Tr. pp. 29-30 and 97-98, and Exh. #20.) Both lawsuits have now been resolved without going to trial. (Tr. pp. 32-33, 39-40, and 98-99.) I find her testimony credible. (Tr. pp. 29-30 and 97-98.)
5. Second, on July 5, 2003, Applicant #1 gave \$15 to her prior employer, along with a prepared transmittal letter to the State, and a loan officer license transfer application. (Tr. pp. 87-92 and 118.) At that time, her prior employer led her to believe that her license would be properly transferred to her new mortgage broker. (Tr. p. 44.) Subsequently, Applicant #1, a loan officer for approximately 15 years, commenced working for another brokerage without being licensed to work there. (Tr. pp. 61-63, and 79 and Exhs. #14, #25, and #26.) Applicant #1 trusted her prior employer to make sure her transfer, the first one Applicant #1 had ever sought, would be handled properly. (Exhs. #13 and #14 and Tr. pp. 41-47, 57-58, 60-61, 80-82, 86-92.)
6. Applicant #1 did not work at more than one mortgage broker at any one time. (Exh. #14 and Tr. p. 85, lines 1-3.)
7. Applicant #1's testimony and letters in support of her application show she is trustworthy, hardworking, and of good character. (Applicant's Testimony; Exhs. #37-41 and Tr. pp. 106-109 and 123-125.)

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<sup>1</sup> "Tr." refers to the transcript of the subject hearing.

### **CONCLUSIONS OF LAW**

Applicant #1 unknowingly provided wrong answers in her 2005 and 2006 applications. (Findings of Fact #3 and #4.) Her errors were unintentional and excusable in this case since they hinged simply on her misunderstanding of the word "named," based upon her perceived connotation of the word, and not as one schooled in the law or familiar with this term of art. (Ibid.) Therefore, Applicant #1 did not violate the laws related to this issue, cited in attached Copy #1. Applicant #1 is fit to be licensed as a loan officer. (Findings of Fact #7.)

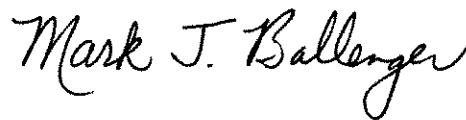
Next, Applicant #1 unintentionally worked unlicensed as a loan officer for the mortgage broker to whom she transferred. (Findings of Fact #5 and #6.) Applicant #1 did not intentionally violate the laws related to this issue, cited in attached Copy #1. Again, Applicant #1 is fit to be licensed as a loan officer. (Findings of Fact #7.)

Because the intended denial of Applicant #2's Mortgage Broker Certificate of Registration Application was based upon Applicant #1's alleged wrongdoing, and that has been found to be without merit (see the preceding two paragraphs), Applicant #2 should not be denied registration.

### **RECOMMENDATION OF ACTION**

Therefore it is respectfully recommended that the Superintendent of the Division of Financial Institutions grant the Applicants' requests for the issuance of licensure and registration respectively.

Respectfully submitted,



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Mark J. Ballenger  
Administrative Hearing Officer