

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

In the matter of:)	Case No. M2006-9992980
)	
SIERRA PACIFIC MORTGAGE)	Notice of Intent to Deny 2006 Renewal Application
COMPANY, INC.)	&
50 Iron Point Circle, Suite 200)	Notice of Opportunity for a Hearing
Folsom, CA 95630)	

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 residential mortgage loan brokers.

RESPONDENT

SIERRA PACIFIC MORTGAGE COMPANY, INC. ("Respondent") is a company that held a certificate of registration to engage in business as a mortgage broker pursuant to R.C. Chapter 1322. Respondent's mortgage broker certificate of registration expired on April 30, 2006, and Respondent filed an application to renew its certificate of registration. The renewal application remains pending. Respondent's business address of record is 50 Iron Point Circle, Suite 200, Folsom, California 95630.

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 DENY Respondent's 2006 renewal application for a 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 refuse to renew an applicant's mortgage broker certificate of registration if the Division finds that the applicant has violated "or failed 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[.]"
- B. R.C. 1322.03 requires a mortgage broker applicant that is a corporation to designate an operations manager.
- C. If the person designated as the operations manager pursuant to R.C. 1322.03 is no longer operations manager, the mortgage broker registrant must designate another person as the operations manager and, within ten days thereof, notify the Division in writing of the designation.
- D. On or about January 13, 2006, Respondent notified the Division that it terminated the employment of loan officer and operations manager Jeff Dierkshiede effective December 30, 2005.

- E. As of January 23, 2006, Respondent had not provided the Division with written notification of a newly designated operations manager, as mandated by R.C. 1322.04(D).
- F. Since January 13, 2006, Respondent has been operating as a mortgage broker registrant without an operations manager in violation of R.C. 1322.03(A)(3).
- G. R.C. 1322.052 requires each person designated to act as an operations manager for a mortgage broker business to complete at least six hours of continuing education every calendar year. As a condition of certificate renewal, the operations manager is required to fulfill the continuing education requirement set forth in R.C. 1322.052.
- H. Respondent's operations manager for calendar year 2005 did not fulfill the required continuing education hours for 2005.
- I. R.C. 1322.02(A)(1) requires each mortgage broker registrant to maintain an office location in Ohio for the transaction of business as a mortgage broker in this state.
- J. On or about January 5, 2006, Respondent notified the Division that its Ohio office d/b/a St. James Mortgage (MB #802746.003) was officially closed.
- K. As of January 5, 2006, Respondent has not maintained an office location in Ohio.

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

- 1. The Division finds Respondent's character and general fitness do not 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 the Ohio Mortgage Broker Act. R.C. 1322.04(A)(10).
- 2. Respondent has failed to meet the prerequisites for certificate of registration renewal found in R.C. 1322.04(B)(2) & (3). See, also, R.C. 1322.04(A)(10).

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 denying Respondent's renewal application 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, 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. 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 denying Respondent a loan officer license.

Signed and sealed this 9th day of August 2006.

ROBERT M. GRIESER

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