

STATE OF OHIO
DEPARTMENT OF COMMERCE
DIVISION OF FINANCIAL INSTITUTIONS
77 South High Street, 21st Floor
Columbus, Ohio 43215-6120

In the matter of:)	
)	Case No. 04-0326LOR
STEVE M. HUTSON)	
5731 RUNNING FOX LANE)	Notice of Intent to Assess Fine and Revoke
MASON, OH 45040)	Loan Officer License &
)	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 enforcing the Ohio Mortgage Broker Act, codified in Ohio Revised Code ("R.C.") Chapter 1322, and the rules adopted thereunder.

RESPONDENT

Respondent Steve M. Hutson ("Respondent") holds an active loan officer license (LO# 003698) issued by the Division pursuant to R.C. 1322. Respondent's employer of record is Allied Home Mortgage Capital Corporation, whose main office operates under certificate of registration number MB 3922. Respondent's former employer was National Liberty Mortgage, Inc. Previously, Respondent worked for the West Chester, Ohio branch of National Liberty Mortgage Inc., MB 3541. Respondent's home address of record is 5731 Running Fox Lane, Mason, OH 45040 and his date of birth is December 27, 1968.

NOTICE OF PROPOSED ACTION

In accordance with R.C. 1322.10, and pursuant to R.C. Chapter 119, the Division intends to ASSESS A FINE and REVOKE Respondent's loan officer license.

ALLEGATIONS

Pursuant to R.C. 1322.10(B), the Division conducted an investigation into the affairs of Respondent, and as a result thereof, alleges the following:

1. On February 5, 2004, the Division's Office of Consumer Affairs received a complaint from a consumer alleging that she refinanced her home through National Liberty Mortgage Inc. with Steve Hutson as her loan officer. In the complaint, she stated that after the closing of the refinance was complete, she

was notified by Respondent that he had not yet received his fee of \$3,500 for the transaction. On August 14, 2003, the consumer wrote a check in favor of Respondent in the amount of \$3,500. On or about September 3, 2003, Respondent Steve Hutson cashed the check from the consumer.

2. On or about December 17, 2003, National Liberty Mortgage, Inc. contacted this consumer and asked her if she had paid Steve Hutson any additional fees or out-of-pocket expenses for the loan transaction. When she confirmed that she had done so, National Liberty Mortgage, Inc. requested and received from the consumer a copy of the cancelled check that she had provided to him.
3. After the consumer filed the complaint with the Division of Financial Institutions against National Liberty Mortgage, Inc. and Respondent, Steve Hutson reimbursed the consumer the \$3,500 purported fee.
4. R.C. 1322.07(C) states that no mortgage broker, registrant, licensee or applicant for a certificate of registration or license under sections 1322.01 to 1322.12 of the Revised Code shall engage in conduct that constitutes improper, fraudulent, or dishonest dealings.
5. Under R.C. 1322.10(A)(1), the superintendent of the Division may revoke a license 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.
6. By demanding and receiving an improper fee from a customer, which fee was not disclosed on the closing statement, nor disclosed by the mortgage loan origination statement, Steve Hutson committed improper, fraudulent, or dishonest dealings in violation of R.C. 1322.07(C).

FINDINGS

Based upon the allegations above, the Division determines the following: by demanding and receiving an improper fee from a customer, which fee was not disclosed on the closing statement, nor disclosed by the mortgage loan origination statement, Steve Hutson committed improper, fraudulent, or dishonest dealings in violation of R.C. 1322.07(C).

PROPOSED ACTION

Based upon the allegations and findings above, the Division intends to REVOKE the loan officer license of Steve M. Hutson (LO# 003698) and LEVY A FINE in the amount of \$1,000 for the violation of R. C 1322.07(C).

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 the loan officer license of Steve M. Hutson (LO# 003698) and to impose a FINE of \$1,000.

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 to:

**State of Ohio
Department of Commerce
Division of Financial Institutions
Attn: Attorney Timothy C. Winslow
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 the loan officer license LO# 003698 and assessing a FINE of \$1,000.

Signed and Sealed this _____ day of _____, 2004.

Robert M. Grieser
Deputy Superintendent of Financial Institutions

Cc: Timothy C. Winslow, In House Counsel—Division of Financial Institutions
Emily Smith, Asst. Attorney General, Business & Government Regulation