

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

|                                     |   |  |
|-------------------------------------|---|--|
| In the matter of:                   | ) |  |
| <b>VETERANS MORTGAGE</b>            | ) | Case No. 02-MB-R-12-01                             |
| <b>SERVICES, LLC.</b>               | ) |  |
| <b>1395 E. Dublin-Granville Rd.</b> | ) |  |
| <b>Suite 412</b>                    | ) |  |
| <b>Columbus, Ohio 43229</b>         | ) | <b>Notice of Intent to Revoke</b>                  |
|                                     | ) | <b>Mortgage Broker Certificate of Registration</b> |
|                                     | ) | <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 enforcing the Ohio Mortgage Broker Act, codified in Ohio Revised Code ("R.C.") Chapter 1322.

Veterans Mortgage Services, LLC ("Respondent") is an Ohio corporation registered with the Division as a mortgage broker pursuant to R.C. Chapter 1322. The business address of record for Respondent is 1395 E. Dublin-Granville Rd., Suite 412, Columbus, Ohio 43229.

**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:

Steven Johannes is the Co-Owner and Chief Financial Officer-Treasurer/Secretary as well as statutory agent for Respondent Veterans Mortgage Services, LLC, a mortgage broker corporation, which is located at 1395 E. Dublin-Granville Rd., Suite 412, Columbus, OH 43229.

Susan R. Anderson is the Co-Owner, Chief Operating Officer, and the qualified operations manager for Respondent Veterans Mortgage Services, LLC.

Scott Anderson is an employee of Respondent Veterans Mortgage Services, LLC and husband of Susan R. Anderson, and acting in his capacity as an employee and agent for Respondent Veterans Mortgage Services, LLC arranged for the refinancing of a mortgage loan in February 2002 for a Mr. Leonard E. Starkey, of 770 S. Burgess Ave., Columbus, OH 43204.

As part of the mortgage loan transaction brokered by Respondent Veterans Mortgage Services, LLC arranged for by Scott Anderson for Leonard Starkey in February 2002, Mr. Starkey was provided with payout distribution funds at settlement of \$25,893.00. Immediately upon the distribution of funds, Mr. Leonard Starkey on February 20, 2002 wrote a personal check for \$25,893.00 to Veterans Mortgage Co. and provided it to Scott Anderson. Mr. Starkey understood the money would be invested on his behalf. Mr. Starkey's check for \$25,893.00 was deposited by Scott Anderson into an account at National City Bank established by Susan R. Anderson for Veterans Mortgage Services. Monies from this account were used both for business expenses of Respondent Veterans Mortgage Services, LLC and for personal expenses of both Scott and Susan R. Anderson.

Neither, Scott Anderson nor Respondent Veterans Mortgage Services, LLC hold or have held any license to provide investment services. The money provided by Mr. Starkey has since been dissipated from the account at National City Bank and no investment of the \$25,893.00 of behalf of Mr. Starkey was ever set aside or established.

In response to his inquiries and request for the return of his money from Veterans Mortgage Services, LLC, Mr. Starkey was informed that his money was in a mutual fund and that it would take time for the account to be closed and the money returned. In truth and fact the money had not been placed in any mutual fund but had been spent to the benefit of Respondent Veterans Mortgage Services, LLC and Scott and Susan R. Anderson. These acts constitute improper, fraudulent, or dishonest dealings, in violation of R.C. 1322.07(C).

### **FINDINGS**

Based upon the allegations above, the Division has determined that Respondent, Veterans Mortgage Services, LLC, has engaged in 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 Mortgage Broker Certificate of Registration for VETERANS MORTGAGE SERVICES, LLC.

### **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 mortgage broker certificate of registration for VETERANS MORTGAGE SERVICES, LLC.

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:

State of Ohio  
Department of Commerce  
Division of Financial Institutions  
Attn: Attorney Timothy C. Winslow  
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.

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 mortgage broker certificate of registration for VETERANS MORTGAGE SERVICES, LLC.

Signed and Sealed this \_\_\_\_\_ day of \_\_\_\_\_, 2002.

\_\_\_\_\_  
F. SCOTT O'DONNELL  
Superintendent of Financial Institutions

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

s:/legal/tcw/filings..veteransrevokhrnotice.doc