

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

In the matter of:

BRUCE W. PELZ
1060 Forest Cliff Drive
Lakewood, OH 44107

)
) **Case No. 04-0330LOR**
)
) **Notice of Intent to Assess Fine and Revoke**
) **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 Bruce W. Pelz ("Respondent") holds an active loan officer license (LO# 007450) issued by the Division pursuant to R.C. 1322. Respondent's employer of record is Money Tree Mortgage, Inc., whose main office operates under certificate of registration number MB 1926. Respondent's home address of record is 1060 Forest Cliff Drive, Lakewood, OH 44107 and his date of birth is November 15, 1957.

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 September 15, 2003, the Ohio Real Estate Commission Revoked the real estate sales license of Bruce W. Pelz. In the Finding, Order, and Grounds for Actions Taken in the Above Styled Matter (Case No. 2001-000245), the Ohio Real Estate Commission found that Bruce W. Pelz violated R.C. 4735.18(A)(11), R.C. 4725.18(A)(13), R.C. 4735.18(A)(6), R.C.

4735.18(A)(1), and R.C. 4735.18(A)(14) for his involvement in a predatory lending scam.

2. On or about March 24, 2004, Respondent completed a 2004 Loan Officer Renewal Application.
3. On the Renewal Application, Respondent wrongfully denied that he had been subject to a federal or state investigative order or been subject of a pending state administrative investigation or order.
4. On the Renewal Application, Respondent wrongfully denied that he had been named in any civil or administrative action that involved insurance, securities, or consumer or real estate lending or brokering.
5. R.C. 1322.07(A) states that no licensee shall obtain a certificate of registration or license through any false or fraudulent representation of a material fact or any omission of a material fact required by state law, or make any substantial misrepresentation in any registration or license application.
6. R.C. 1322.07(B) states that no licensee shall make false or misleading statements of a material fact, omissions of statements required by state law or false promises regarding a material fact.
7. By denying that he had been subject to a federal or state investigative order or been subject of a pending state administrative investigation or order and not advising the Division that his real estate sales license has been revoked, Respondent violated R.C. 1322.07(A) of the Ohio Mortgage Broker Act.
8. By denying that he had been named in an administrative action that involved consumer real estate lending or brokering Respondent violated R.C. 1322.07(A) of the Ohio Mortgage Broker Act.
9. By denying that he had been subject to a federal or state investigative order or been subject of a pending state administrative investigation or order and not advising the Division that his real estate sales license has been revoked, Respondent violated R.C. 1322.07(B) of the Ohio Mortgage Broker Act.
10. By denying that he had been named in an administrative action that involved consumer real estate lending or brokering Respondent violated R.C. 1322.07(B) of the Ohio Mortgage Broker Act.
11. R.C. 1322.07(C) prohibits licensees from engaging in conduct that constitutes improper, fraudulent, or dishonest dealings.

12. By not disclosing the administrative action by the Division of Real Estate and the order revoking his real estate sales license Respondent violated R.C. 1322.07(C) by committing improper, fraudulent, or dishonest dealings.
13. By being involved in a predatory lending scam that was the subject of Case No. 2001-000245 of the Division of Real Estate and resulted in the revocation of his real estate sales license, Respondent violated R.C. 1322.07(C).
14. Under R.C. 1322.10(A)(1)(a), the Superintendent of Financial Institutions may revoke a loan officer license if the superintendent finds that the licensee has violated or failed to comply with any provisions of sections 1322.01 to 1322.12 of the Revised Code or the rules under those sections or any other law applicable to the businesses conducted under a certificate of registration.

FINDINGS

Based upon the allegations above, the Division determines the following:

1. Respondent violated R.C. 1322.07(A) which prohibits a loan officer from obtaining a license through any false or fraudulent representation of a material fact required by state law, or making any substantial misrepresentation in any registration or license application.
2. Respondent violated R.C. 1322.07(B) which prohibits a loan officer applicant from making false or misleading statements of a material fact, omissions of statements required by state law, or false promises regarding a material fact.
3. Respondent violated R.C. 1322.07(C) which prohibits a loan officer from engaging in conduct that constitutes improper, fraudulent, or dishonest dealings.
4. Due to Respondent's violations of R.C. 1322.07(A), R.C. 1322.07(B), and R.C. 1322.07(C), Respondent has failed to comply with the provisions of the Ohio Mortgage Broker Act and revocation of his license is proper pursuant to R.C. 1322.10(A).

PROPOSED ACTION

Based upon the allegations and findings above, the Division intends to REVOKE the loan officer license of Bruce W. Pelz (LO# 007450) and LEVY A FINE in the amount of \$ 1,000.00 for the violation of R. C. 1322.07(A), R.C. 1322.07(B), and 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# 007450) and to impose a FINE of \$1,000.00.

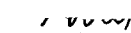
Respondent is further notified, pursuant to R.C. Chapter 119, that Respondent is entitled to a hearing on this matter. If Respondent desires to request a hearing, the request must be made in writing, and must be received in the offices of the Ohio Division of Financial Institutions within thirty (30) days of the time of the mailing of this Notice. Hearing requests should be addressed 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# 007450 and assessing a FINE of \$1,000.00.

Signed and Sealed this 14th day of July, 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

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