

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. M2006-9992826
SCOTT G. JOHNSON)	
2482 Reginald Ct.)	Notice of Intent to Deny Loan Officer
Powell, OH 43065)	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 Scott G. Johnson ("Respondent") has applied to the Division for a loan officer license pursuant to R.C. Chapter 1322. His address of record is 2482 Reginald Ct., Powell, OH 43065, and his date of birth is May 28, 1974. Respondent sought to be a licensed loan officer with Streamline Mortgage Service, LLC, a mortgage broker operating under certificate of registration MB #3642. Respondent has since filed a loan officer transfer application seeking to transfer his license application to Freedom Banc Mortgage Services, Inc., a mortgage broker operating under certificate of registration #3933.

ALLEGATIONS

Pursuant to R.C. 1322.031(B) and 1322.10(B), the Division has conducted an investigation of Respondent to determine whether Respondent meets the conditions for registration under R.C. 1322.041, and as a result thereof, alleges the following:

1. On March 15, 2006, Respondent applied to the Division for a loan officer license working for Streamline Mortgage Service, LLC. On April 20, 2006, Respondent filed a loan officer transfer application seeking to transfer his application to Freedom Banc Mortgage Services, Inc.
2. R.C. 1322.041 provides that the superintendent may issue a loan officer license if certain conditions are met by the applicant. Among the stated conditions is "the applicant's character and general fitness 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 1322.12 of the Revised Code.” R.C. 1322.041(A)(5).

3. According to R.C. 1322.041(A)(2), a condition of licensure is that the applicant complies with sections 1322.01 to 1322.12 of the Revised Code.
4. Respondent has previously applied for and obtained a loan officer license three times.
 - (a) Respondent obtained a loan officer license to work for Tower Mortgage Corporation on October 2, 2003. Respondent took the exam required by R.C. 1322.051(B) twice, failing it both times. Consequently, the license terminated by operation of law on or about December 31, 2003.
 - (b) Respondent reapplied and obtained a loan officer license to work for Tower Mortgage Corporation on January 9, 2004. Respondent took but failed the exam required by R.C. 1322.051(B) on or about February 24, 2004. Respondent passed the exam on or about March 2, 2004. Meanwhile, Respondent transferred his license in 2004 to Apex Mortgage Service, LLC. Respondent renewed his license in 2004 but failed to renew his license in 2005. Consequently, Respondent’s license expired on April 30, 2005.
 - (c) Respondent reapplied and obtained a loan officer license to work for Amerifirst Mortgage Mortgatopia, LLC on August 16, 2005. Respondent did not take the exam required by R.C. 1322.051(B). Consequently, his loan officer license terminated by operation of law on November 14, 2005. Scott G. Johnson never transferred his license to Streamline Mortgage Service, LLC. Scott G. Johnson has never been authorized under the Ohio Mortgage Broker Act to work for Streamline Mortgage Service, LLC.
5. R.C. 1322.031(E)(2) states: “If a loan officer’s employment is terminated, the mortgage broker shall return the original license to the superintendent within five business days after termination. The licensee may request the transfer of the license to another mortgage broker by submitting a relocation application, along with a fifteen dollar fee, to the superintendent or may request the superintendent in writing to hold the license in escrow for a period not to exceed one year. Any licensee whose license is held in escrow shall cease activity as a loan officer.”
6. On October 28, 2006, the Division received Respondent’s loan officer license from Amerifirst Mortgage Mortgatopia LLC pursuant to R.C. 1322.031(E)(2), placing Respondent’s license in escrow. Pursuant to R.C. 1322.031(E)(2), after October 28, 2005, Respondent was not authorized to act as a loan officer while his license was in escrow.
7. On or about March 10, 2006, the Division issued a subpoena to Streamline Mortgage Service, LLC requesting it to produce all loan files on which Scott G. Johnson acted as

salesperson or originator for September 2005 through March 2006 and all payroll records for Scott G. Johnson for the years 2005 and 2006.

8. In response to subpoena by the Division, Streamline Mortgage Service, LLC provided documentation indicating that Scott G. Johnson acted as a loan officer in assisting two consumers in obtaining a mortgage in October 2005 and December 2005, during a period he was not authorized under the Ohio Mortgage Broker Act to act as a loan officer. Streamline Mortgage Service, LLC also provided to the Division records indicating Scott G. Johnson was paid commissions for his work as a loan officer. Documents obtained by the Division show:
 - a. Respondent assisted Tasha Hines in obtaining a mortgage loan secured by real estate located at 846 Wainwright Ave., Columbus, OH 43224, while working for Streamline Mortgage Service, LLC. He originated the loan on or about October 15, 2005. The loan closed on November 28, 2005.
 - b. Respondent assisted John Tolley IV in obtaining a mortgage loan secured by real estate located at 1402 Boston Rd., Nashport, OH 43830, while working for Streamline Mortgage Service, LLC. He originated the loan on or about December 15, 2005 and the loan closed on or about January 20, 2006.
9. By assisting consumers in obtaining mortgages during a period his license was in escrow, Respondent violated R.C. 1322.031(E)(2).
10. R.C. 1322.02(B) states: "No person, on the person's own behalf or on behalf of any other person, shall act as a loan officer without first having obtained a license from the superintendent." By assisting consumers in obtaining mortgages during a period he did not hold a license, Respondent violated R.C. 1322.02(B).
11. Due to Respondent's violations of R.C. 1322.02(B) and R.C. 1322.031(E)(2), Respondent does not meet the conditions of licensure in R.C. 1322.041(A)(2).
12. Due to Respondent's violations of R.C. 1322.02(B), the superintendent cannot find that Respondent's character and general fitness 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 1322.12 of the Revised Code. Consequently, Respondent does not meet the conditions for obtaining a loan officer license according to R.C. 1322.041(A)(5).
13. According to R.C. 1322.10(A)(1)(a) the superintendent of financial institutions may refuse to issue a license for a violation of or failure to comply with any provision of sections 1322.01 to 1322.12 of the Revised Code or rules adopted under those sections.

FINDINGS

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

1. Respondent has violated R.C. 1322.02(B) by assisting consumers in obtaining mortgages during a time when he did not hold an active loan officer license.
2. Respondent has violated R.C. 1322.031(E)(2) by assisting consumers in obtaining mortgages during a time when his license was in escrow.
3. Due to Respondent's violation of R.C. 1322.02(B), Respondent has not met the condition of licensure set forth in R.C. 1322.041(A)(2) which requires license applicants to comply with R.C. 1322.01 to R.C. 1322.12.
4. Due to Respondent's violation of R.C. 1322.02(B), the superintendent cannot find that "the applicant's character and general fitness 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 1322.12 of the Revised Code," which is a condition of obtaining a loan officer license.
5. Because of Respondent's violations of R.C. 1322.02(B) and R.C. 1322.031(E)(2) the superintendent of financial institutions in accordance with the provisions of R.C. 1322.10(A)(1)(a) may refuse to issue a license to Respondent.

PROPOSED ACTION

Based upon the allegations and findings above, the Division intends to **DENY** Respondent, Scott G. Johnson a loan officer license.

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 Scott G. Johnson a loan officer license.

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 DENYING Respondent a loan officer license.

Signed and Sealed this ____ day of _____, 2006.

Robert M. Grieser
Deputy Superintendent of Financial Institutions

Cc: Timothy C. Winslow, In House Counsel—Division of Financial Institutions
Matt Lampke, Asst. Attorney General, Executive Agencies

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