

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

In the matter of:	)	Case No. 04-0026-LOD
	)	
<b>PAUL C. CARSON</b>	)	<b><u>DIVISION ORDER</u></b>
2624 Duck Creek Road, Apt. 3	)	<b>Denial of Loan Officer License Application</b>
Cincinnati, Ohio 45212	)	<b>&amp;</b>
<hr style="width: 40%; margin-left: 0;"/>	)	<b>Notice of Appellate Rights</b>

Respondent, Paul C. Carson, submitted a loan officer license application to the Division of Financial Institutions ("Division") on October 6, 2003. On January 22, 2004, the Division notified Carson that it intended to deny his loan officer license application because: (1) he pleaded guilty to receiving stolen property and misuse of a credit card in 2003 and he had not proven that he is honest, truthful, and of good reputation, and that there is no basis in fact for believing that he will not commit another offense involving theft or any criminal offense involving money or securities; and (2) and his character and general fitness do not command the confidence of the public and warrant the belief that his business will be operated honestly and fairly in compliance with the purposes of R.C. §§ 1322.01 to 1322.12—the Ohio Mortgage Broker Act.

Carson requested a hearing and an administrative hearing was held on March 2, 2004. A Report and Recommendation was filed with the Division on May 3, 2004, recommending that the Division not grant Carson a loan officer license. No objections were filed.

In accordance with R.C. §119.09, the Division has considered the record, consisting of the Report and Recommendation, the transcript of testimony and exhibits, as well as all applicable laws. As a result, the Division makes the following findings and conclusions.

The Division modifies the first sentence of paragraph 6 on page 2 of the Report and Recommendation to reflect that the Division scheduled the hearing for February 9, 2004, not January 28, 2004.

The Division modifies the first sentence of the fourth sub-paragraph of paragraph 2 under the section CONCLUSIONS OF LAW on page 6. This sentence reads:

Because the Respondent has been convicted of the offense of receiving stolen property, the burden of proof shifted to the Respondent to show by a preponderance of the evidence that his activities and employment records since the conviction show that

he is honest, truthful and of good reputation and that there is no basis in fact for believing that he is honest, truthful and of good reputation and that there is no basis in fact for believing that he will commit another criminal offense involving theft, receiving stolen property, embezzlement, forgery, fraud, passing bad checks, money laundering or drug trafficking or any criminal offense involving money or securities.

First, Carson was not convicted of receiving stolen property, but he pleaded guilty to the offense. (Exhibit 5A). Second, when Carson pleaded guilty to receiving stolen property in 2003, he also pleaded guilty to the offense of misuse of credit cards, a theft offense, which also places the burden of proof on him. (See R.C. § 2913.01(K)(1) and Exhibit 5A). As such the first sentence of the fourth sub-paragraph of paragraph 2 shall read:

Because the Respondent pleaded guilty to the offenses of receiving stolen property and misuse of credit cards, the burden of proof shifted to the Respondent to show by a preponderance of the evidence that his activities and employment record since the guilty pleas show that he is honest, truthful, and of good reputation and that there is no basis in fact for believing that he will commit another criminal offense involving theft, receiving stolen property, or any criminal offense involving money or securities.

The Division modifies the second sentence of paragraph 1 on page 6 of the Report and Recommendation. Carson was not convicted of receiving stolen property, but he pleaded guilty to receiving stolen property and misuse of credit cards in 2003. (Exhibit 5A). The second sentence of paragraph 1 is modified to reflect the change.

The Division modifies the second sentence of paragraph 12 on page 7 of the Report and Recommendation. Carson was not convicted of receiving stolen property, but he did plea guilty to receiving stolen property and misuse of credit cards in 2003, both of which are enumerated offenses of R.C. § 1322.031(A)(2). (Exhibit 5A). Paragraph 12 on page 7 is modified accordingly.

The Division disapproves the third sentence of paragraph 13 on pages 7 and 8.

The Division never alleged in its notice that chemical dependency was being used as a basis for denying Carson a loan officer license. (Exhibit 6A). The basis, as stated in the Division's Notice of Intent to Deny is Carson's recent involvement in the criminal justice system, that of his plea of guilty to receiving stolen property and misuse of credit cards. This is sufficient to find that Carson has not met his burden that he is not likely to commit a similar offense again. The Division modifies the first sentence of paragraph 15 on page 8 of the Report

and Recommendation to reflect that the word “conviction” should be changed to the phrase “guilty pleas.” (Exhibit 5A).

The Division disapproves the last sentence of paragraph 15 on page 8 of the Report and Recommendation as the Division never alleged drug dependency as a basis for showing that Carson did not have the character and general fitness to originate loans. (Exhibit 6A).

In accordance with the foregoing, the Division otherwise adopts the Report and Recommendation of the hearing officer. The loan officer license application of Paul C. Carson is hereby denied.

It is so ordered.

#### **NOTICE OF APPELLATE RIGHTS**

Respondent is hereby notified that pursuant to R.C. 119.12, this order may be appealed by filing a notice of appeal with the Ohio Division of Financial Institutions setting forth the order appealed from and the grounds for the appeal. A copy of such notice of appeal must, pursuant to R.C. 119.12, must also be filed with the court of common pleas of the county in which the place of business of the Respondent is located, or the county in which the Respondent is a resident. A notice of appeal must be filed within fifteen (15) days after the date of mailing of this order.

Signed and sealed this 1st day of December 2005

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**ROBERT M. GRIESER**

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