

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. 05- 0011 MBD
STEMPLE-WHITE'S AMERIMORTGAGE))	
LIMITED PARTNERSHIP)	
DBA AMERIMORTGAGE)	Notice of Intent to Deny
122 Broad Blvd.)	Mortgage Broker Certificate
Cuyahoga Falls, OH 44221)	of Registration Application & 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 Stemple White's Amerimortgage Limited Partnership, ("Respondent") has submitted an application for a mortgage broker certificate of registration pursuant to R.C. 1322. Respondent is an Ohio Limited Partnership. The business address for Respondent's proposed main office is 122 Broad Blvd., Cuyahoga Falls, OH 44221. Respondent has submitted an application for a branch office at 231 Second Street NE, New Philadelphia, OH 44663.

ALLEGATIONS

Pursuant to R.C. 1322.03(B) and R.C. 1322.10(A)(1)(a), the Division conducted an investigation into the affairs of Respondent, and as a result thereof, alleges the following:

1. On or about May 21, 2004, one of Respondent's primary partners, Meriruth Hughes-Stemple submitted an Application for a Mortgage Broker Certificate of Registration to the Division as a sole proprietor.
2. Meriruth Hughes- Stemple's employer of record is Amerimortgage, Inc., whose main office is located at 3503 Whipple Ave. NW, Canton, OH 44718 and operates under certificate of registration number MB 540. Amerimortgage, Inc. has one licensed branch office which is located at 550 South Cleveland Ave., Suite G- Office 15, Westerville, OH 43081 and operates under the certificate of registration number MB 3465.

3. In support of her Application for a Certificate of Registration as a sole proprietor, Meriruth Hughes- Stemple submitted a "Schedule A" Disclosure Form. In the Employment history section of the disclosure form, Respondent listed as Employer "franchise owner branch of Amerimortgage, Inc." with the address of 1675 State Road, Cuyahoga Falls, OH 44221.
4. In support of her Application for a Certificate of Registration as a sole proprietor Meriruth Hughes- Stemple also submitted a "Schedule C" Resume which listed under "Experience" during the periods from 2000 to present, (as of May 2004), that she was a Mortgage Broker Franchise Owner of Amerimortgage, Inc. at 1675 State Rd., Cuyahoga Falls, OH 44223.
5. Meriruth Hughes- Stemple provided the Division disclosure forms and other documentation indicating that she had been a franchise owner of an Amerimortgage, Inc. branch at 1675 State Road, Cuyahoga Falls, OH 44223. There has never been any branch of Amerimortgage, Inc. at this address with a valid certificate of registration.
6. In support of her application for a Mortgage Broker Certificate of Registration as a sole proprietor, Meriruth Hughes- Stemple submitted a lease for a proposed office location at 122 Broad Blvd., Cuyahoga Falls, OH 44221. The lease is signed by Meri Stemple dba Amerimortgage. The lease is for a term of March 27, 2004 through March 31, 2005.
7. Representatives of the Division called and reached Respondent at 330-923-2194, a number listed under the name Amerimortgage in phone directories with the address of 122 Broad Blvd., Cuyahoga Falls, OH 44221.
8. Meriruth Hughes- Stemple solicited business on behalf of Amerimortgage, Inc. through the web site www.myamerimortgage.com which also lists as its address 122 Broad Blvd., Cuyahoga Falls, OH 44221, and displayed its mortgage broker certificate as MB 540, which is the certificate for the licensed location in Canton for Amerimortgage, Inc.
9. R.C. 1322.031(E)(1) states in part: "The business of a loan officer shall principally be transacted at an office of the employing mortgage broker, which office is registered in accordance with division (A) of section 1322.02 of the Revised Code."
10. Meriruth Hughes- Stemple, a primary partner of Respondent, has violated R.C. 1322.031(E)(1) by acting as a loan officer for Amerimortgage, Inc. from offices which have lacked a certificate of registration from the Division of Financial Institutions. Meriruth Hughes- Stemple has operated as a loan officer at branch of Amerimortgage, Inc. at 1675 State Road, Cuyahoga Falls, OH 44223 from 2000 to May 2004. This location did not hold a certificate of registration for Amerimortgage, Inc. during this period. From May 2004 to the present Meriruth Hughes- Stemple has continued to operate an unlicensed branch office of Amerimortgage, Inc. at 122 Broad Blvd., Cuyahoga Falls, OH 44221.

11. In response to the Division's inquiry into her mortgage broker application to do business as a sole proprietor, Meriruth Hughes- Stemple submitted a Franchise Agreement between Amerimortgage, Inc. and Meriruth Hughes- Stemple dated April 1, 2000. This agreement, which was executed by Samuel Urban, president and operations manager of Amerimortgage, Inc. and Ms. Hughes- Stemple provided that she procure her own office space, equipment, and credit bureau access service. The agreement also provided that Meriruth C. Hughes-Stemple pay 15% of all origination fees, yield spread fees for a franchise fee.
12. R.C. 1322.03(E) states: "A certificate of registration, or the authority granted under such a certificate, is not transferable or assignable and cannot be franchised by contract or any other means." This provision became effective on May 2, 2002.
13. From May 2, 2002 to the present Meriruth Hughes- Stemple, one of Respondent's primary partners, has violated R.C. 1322.03(E) by participating in a franchising agreement of Amerimortgage, Inc.'s certificate of registration and performing according to a contract which violates the Ohio Mortgage Broker Act.
14. R.C. 1322.02(A)(1) states: "No person, on the person's own behalf or on behalf of another person, shall act as a mortgage broker without first having obtained a certificate of registration from the superintendent of financial institutions for every office to be maintained by the person for the transaction of business as a mortgage broker in this state."
15. One of Respondent's primary partners previously acted as a franchise of Amerimortgage, Inc. and has thereby acted on behalf of another person as a mortgage broker. Meriruth Hughes- Stemple has violated R.C. 1322.02(A)(1) by acting as a broker without first having obtained a certificate of registration for each of the Cuyahoga Falls offices that she maintained for the transaction of broker business.
16. On or about March 14, 2005, the Division issued a Notice of Intent to Deny Mortgage Broker Certificate of Registration Application of Meriruth Hughes-Stemple dba Amerimortgage and Notice of Opportunity for a Hearing.
17. On or about April 12, 2005, Respondent submitted its application to the Division for a certificate of registration. The two partners in Stemple-White's Amerimortgage Limited Partnership dba Amerimortgage are Meriruth Hughes- Stemple and James Kerry White.
18. Respondent's proposed office location is 122 Broad Blvd., Cuyahoga Falls, OH 44221.
19. In conjunction with Respondent's certificate of registration application, Meriruth Hughes-Stemple submitted to the Division a Schedule A disclosure form. Under the employment section of this disclosure form, Meriruth Hughes-Stemple listed that from April 2000 to the present she worked for Amerimortgage, Inc. at 3503 Whipple Ave. NW, Canton, OH 44718. She stated that she held the position of "manager and L.O."

20. R.C. 1322.04(A)(10) states as a condition for issuance of a certificate of registration:
“The applicant’s financial responsibility, experience, 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.”
21. Due to Respondent’s owner and partner Meriruth Hughes- Stemple’s previous violations of the Ohio Mortgage Broker Act, there is no reason to believe that Respondent’s experience, character, and general fitness command the confidence of the public and warrant the belief that Respondent’s business will be operated honestly and fairly in compliance with the purposes of sections 1322.01 to 1322.12 of the Revised Code.
22. Respondent does not meet the conditions for a certificate of registration according to R.C. 1322.04.

FINDINGS

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

1. By operating as a loan officer from unauthorized and unlicensed branch offices of Amerimortgage, Inc., a primary partner of the Respondent, Meriruth Hughes- Stemple has violated R.C. 1322.031(E)(1).
2. By franchising Amerimortgage, Inc.’s certificate of registration and performing according to a contract which violates the Ohio Mortgage Broker Act, Meriruth Hughes- Stemple, a primary partner of Respondent, has violated R.C. 1322.03(E).
3. Meriruth Hughes- Stemple, a primary partner of Respondent, has acted as a franchisee of Amerimortgage, Inc. and has thereby acted on behalf of another person as a mortgage broker. Meriruth Hughes- Stemple has violated R.C. 1322.02(A)(1) by acting as a broker without first having obtained a certificate of registration for each of the Cuyahoga Falls offices that she maintained for the transaction of business as a mortgage broker.
4. Based on the above facts and violations of the Ohio Mortgage Broker Act, the Superintendent of Financial Institutions cannot find that Respondent’s experience, character, and general fitness command the confidence of the public and warrant the belief that Respondent’s business will be operated honestly and fairly in compliance with the purposes of sections 1322.01 to 1322.12 of the Revised Code as required by R.C. 1322.04(A)(10). Therefore Respondent does not meet the conditions for a certificate of registration under R.C. 1322.04.

PROPOSED ACTION

Based upon the allegations and findings above, the Division intends to DENY the Mortgage Broker Certificate of Registration Application of Stemple-White's Amerimortgage Limited Partnership dba Amerimortgage.

NOTICE OF OPPORTUNITY FOR A HEARING ON PROPOSED ACTION

Therefore, pursuant to R.C. Chapters 1322 and 119, Respondents are hereby notified that thirty-one (31) days from the date of the mailing of this Notice, the Superintendent intends to issue an ORDER DENYING the mortgage broker certificate of registration application of Stemple-White's Amerimortgage Limited Partnership dba Amerimortgage.

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 the mortgage broker certificate of registration application of Stemple-White's Amerimortgage Limited Partnership dba Amerimortgage.

Signed and Sealed this 8th day of July, 2005.

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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