

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

In the matter of:

**James H. Artwell
155 Essex Lane
Medina, OH 44256**

)
) **Case No. 06-3320LOR**
)
)
) **Notice of Intent to Revoke**
) **Loan Officer License and**
) **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 James H. Artwell ("Respondent") holds a loan officer license (LO#006157) issued by the Division pursuant to R.C. 1322. Respondent's employer of record is Buckeye Mortgage Services, LLC., whose office operates under certificate of registration number MB 4788. Respondent's home address of record is 155 Essex Lane, Medina, Ohio 44256 and his date of birth is October 23, 1963.

NOTICE OF PROPOSED ACTION

In accordance with R.C. 1322.10, and pursuant to R.C. Chapter 119, the Division intends to 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. Respondent is the Operations Manager, as that term is defined in R.C. 1322.01(H), for Buckeye Mortgage Services, LLC. Pursuant to Ohio Administrative Code ("O.A.C.") rule 1301:8-7-12(Q), effective on September 1, 2006, the superintendent issued to Respondent a loan officer license. He is also a member of Buckeye Mortgage Services, LLC., which is a limited liability company registered with the Ohio Secretary of State.

2. On or about September 23, 2004, Respondent took a loan application to refinance a residential mortgage loan on property located at 3845 East 188th Street, Cleveland, Ohio 44122, owned and occupied by Ronald and Lee Ann Moreland. The loan sought was for approximately \$83,700.
3. On October 8, 2004, the loan closed at Lee Ann Moreland's home. Respondent and a representative from the title company were present at the closing. At the conclusion of the closing, Lee Ann Moreland received a closing package consisting of unsigned copies of all the loan documents.
4. At the closing, Lee Ann Moreland signed an acknowledgement form certifying that the final HUD-1 Settlement Statement presented to her on October 8, 2004, was a true and accurate statement of all receipts and disbursements made on her account in that transaction. Specifically, the HUD-1 Settlement Statement she certified on that date showed on line 303 that she would receive \$4,000 out of the proceeds of the closing, and on line 801 that Buckeye Mortgage Services would receive a loan origination fee of \$1,343.56.
5. On October 14, 2004, the title company disbursed the funds from its escrow account. Funds were not disbursed, however, as represented on the HUD-1 Settlement Statement Lee Ann Moreland acknowledged, certified and received at the closing of the loan. Specifically, the final HUD-1 Settlement Statement provided to the lender showed on line 303 that Lee Ann Moreland received \$2,567.18 not \$4,000.00, on line 801 that Buckeye Mortgage Services received a loan origination fee of \$2,761.38 not \$1,343.56, and on line 1115 that Titles Etc. received a wire transfer fee of \$15, which fee was not previously disclosed.
6. On October 14, 2004, Lee Ann Moreland received a check issued by Titles Etc. for \$2,567.18. On the same date, Buckeye Mortgage Services, LLC. received a check issued by Titles Etc. for \$2,761.38.
7. R.C. 1322.07 states in part:

No...licensee or applicant for a...license under sections 1322.01 to 1322.12 of the Revised Code shall do any of the following:

- (B) Make false or misleading statements of material fact, omissions of statements required by state law, or false promises regarding a material fact, through advertising or other means, or engage in a continued course of misrepresentation;
- (C) Engage in conduct that constitutes improper, fraudulent, or dishonest dealings....

(E) Knowingly make...fraudulent, false, or misleading statements on any mortgage document or on any document related to a mortgage, including a...real estate settlement or closing document....

8. Respondent has violated R.C. 1322.07(B), 1322.07(C) and 1322.07(E) by causing the final HUD-1 Settlement Statement to be altered, changed or revised without Lee Ann Moreland's knowledge, consent or signature after the loan closed. Respondent knowingly caused the broker fee paid to Buckeye Mortgage Services, LLC to be increased by \$1,417.82 and caused the cash paid to borrower Lee Ann Moreland to be correspondingly decreased by the same amount.
9. According to R.C. 1322.10(A)(1), the Superintendent of Financial Institutions may revoke a loan officer license if the superintendent finds a violation of or failure to comply with any provision of R.C. 1322.01 to R.C. 1322.12.

FINDINGS

1. Respondent has made false promises regarding a material fact in violation of R.C. 1322.07(B) by promising borrower Lee Ann Moreland that she would receive \$4000.00 from the proceeds of the re-financed mortgage loan when, in fact, she only received \$2,567.18 from the proceeds of the loan.
2. Respondent has engaged in conduct that constitutes improper, fraudulent, or dishonest dealings in violation of R.C. 1322.07(C) by attending the closing and having borrower Lee Ann Moreland sign an acknowledgement form certifying as true and accurate a false HUD-1 Settlement Statement and then causing the HUD-1 Settlement to be altered, changed or revised after her acknowledgement so as to increase Respondent's broker fee and decrease cash paid to her.
3. Respondent has knowingly made a fraudulent, false or misleading statement on mortgage documents, including a real estate settlement or closing document, in violation of R.C. 1322.07(E) by causing the HUD-1 Settlement Statement to be altered, changed or revised after the closing and without her knowledge, consent or signature.
4. Based upon the authority granted pursuant to R.C. § 1322.10(A)(1) by Respondent's violations of R.C. 1322.07(B), (C) and (E), the superintendent may revoke Respondent's loan officer license.

PROPOSED ACTION

Based upon the allegations and findings above, the Division intends to REVOKE the loan officer license of James H. Artwell (LO# 006157).

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 James H. Artwell (LO#006157).

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#006157.

Signed and Sealed this _____ day of _____, 2006.

Robert M. Grieser
Deputy Superintendent of Financial Institutions

cc: Matt Lampke, Asst. Attorney General, Business & Government Regulation

L:\Legal Confidential\Jackie\LO Revocations\Artwell\Jim Artwell LO Revoke.doc