

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

In the matter of:	)	
	)	<b>Case No. 04-0012MBD</b>
<b>WMC MORTGAGE CORP.</b>	)	
dba AMERICAN LOAN CENTERS	)	<b>Notice of Intent to Assess Fine and Deny</b>
6320 Canoga Ave., Suite TR 28	)	<b>Renewal of</b>
Woodland Hills, CA 91367	)	<b>Mortgage Broker Certificates of</b>
	)	<b>Registration &amp;</b>
	)	<b>Notice of Opportunity for a Hearing</b>
	)	

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**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 WMC Mortgage Corp. dba American Loan Centers, ("Respondent") is registered as a foreign corporation in Ohio and holds active mortgage broker certificates of registration issued by the Division pursuant to R.C. 1322 which it is seeking to renew. The business address of record for Respondent's main office is 6320 Canoga Avenue, Suite TR 28, Woodland Hills, CA 91367 with certificate of registration number MB 4098. Respondent has a branch office located at 8475 Memphis Ave., Brooklyn, Ohio 44144 which operates under certificate of registration number MB 4599.

**NOTICE OF PROPOSED ACTION**

In accordance with R.C. 1322.04, and pursuant to R.C. Chapter 119, the Division intends to ASSESS A FINE and DENY RENEWAL of Respondent's mortgage broker certificates of registration.

**ALLEGATIONS**

Pursuant to R.C. 1322.10(B) and R.C. 1322.04(B), the Division conducted an investigation into the affairs of Respondent, and as a result thereof, alleges the following:

1. R.C. 1322.03(A)(3) requires a mortgage broker applicant to designate an operations manager with at least three years experience in the mortgage and lending field.
2. R.C. 1322.01(H) defines "Operations Manager" as "the individual responsible for the everyday operations, compliance requirements, and management of a mortgage broker business."
3. If the person designated as operations manager according to the above provision is no longer the operations manager, R.C. 1322.04(D)(1) requires the registrant to designate another person as the operations manager. Within ten days after the designation of the operations manager, the registrant is required to notify the Superintendent of Financial Institutions in writing of the designation and submit any additional information the superintendent requires to establish that the newly designated operations manager complies with the experience requirements set forth in R.C. 1322.03(A)(4).
4. From April 2002 to September 2003, WMC Mortgage Corp. employed Karen Amorati as its Operations Manager. On September 12, 2003, Ms. Amorati advised the Division that she was no longer employed by WMC Mortgage Corp. effective September 5, 2003.
5. WMC Mortgage Corp. rehired Ms. Amorati in April 2004 as Operations Manager. Unknown to the Division, at the time of hiring, Ms. Amorati was told that this would be a sixty to ninety day position.
6. In truth and in fact, at no time during her employment with Respondent was Ms. Amorati responsible for everyday operations, compliance requirements, and management of Respondent's mortgage broker business.
7. R.C. 1322.052 requires operations managers to complete six hours of continuing education every year.
8. Registrant asked Ms. Amorati to complete the continuing education to meet the R.C. 1322.052 requirements. Shortly after being hired in April 2004, Ms. Amorati took the requisite continuing education classes.
9. Karen Amorati has notified the Division that she will no longer be employed by WMC Mortgage Corp. effective July 26, 2004.
10. The Division believes that Respondent hired Ms. Amorati in April 2004 not for the purpose of performing the functions of an operations manager but only to be able to present a name of someone in order to file for the renewal of their Mortgage Broker Certificate of Registration and thereby avoid the Operations Manager and continuing education requirements of R.C. 1322.

11. By not designating an Operations Manager between September 2003 and April 2004, Respondent has violated R.C. 1322.04(D) and R.C. 1322.03(A)(3).
12. R.C. 1322.07(C) prohibits registrants from engaging in conduct that constitutes improper, fraudulent or dishonest dealings.
13. By attempting to deceive the Division by hiring an operations manager only for three months during which Mortgage Broker certificates of registration are renewed, Respondent has engaged in conduct that constitutes improper, fraudulent, or dishonest dealings in violation of R.C. 1322.07(C).

### **FINDINGS**

Based upon the allegations above, the Division has determined the following:

1. Respondent WMC Mortgage Corp. has violated R.C. 1322.04(D) and R.C. 1322.03(A)(3) by not designating an Operations Manager between September 2003 and April 2004.
2. By attempting to deceive the Division by hiring an Operations Manager only for three months during which Mortgage Broker certificates of registration are renewed and during this time completing the continuing education requirements, Respondent WMC Mortgage Corp. has violated R.C. 1322.07(C) by engaging in conduct that constitutes improper, fraudulent, or dishonest dealings.

### **PROPOSED ACTION**

Based upon the allegations and findings above, the Division intends to DENY THE RENEWAL of the Mortgage Broker Certificates of Registration MB 4098 and MB 4599 for WMC Mortgage Corp. dba American Loan Centers and LEVY A FINE in the amount of \$25,000 for the violation of R. C 1322.07(C), R.C. 1322.04, and R.C. 1322.03(A)(3).

### **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 RENEWAL of the mortgage broker certificate of registration MB 4098 and MB 4599 for WMC Mortgage Corp. dba American Loan Centers and to impose a FINE of \$25,000.

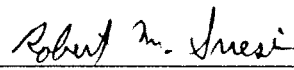
Respondent is further notified, pursuant to R.C. Chapter 119, that Respondent is entitled to a hearing on this matter. If Respondent desires to request a hearing, the request must be made in writing, and must be received in the offices of the Ohio Division of Financial Institutions within thirty (30) 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, 21<sup>st</sup> 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 RENEWAL of the mortgage broker certificates of registration MB 4098 and MB 4599 for WMC Mortgage Corp. dba American Loan Centers and assessing a FINE of \$25,000.

Signed and Sealed this 19<sup>th</sup> day of August, 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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