

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

In the matter of:)	Case No. M2008-511
)	
CSMC, INC. dba CENTRAL STATES)	Notice of Intent to Revoke
MORTGAGE OF COLUMBUS)	Mortgage Broker Registration
7610 East Main Street)	&
Reynoldsburg, Ohio 43068)	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 administering and enforcing the Ohio Mortgage Broker Act, codified in Ohio Revised Code ("R.C.") Chapter 1322. In accordance therewith, the Division is accountable for the registration of mortgage brokers.

RESPONDENT

CSMC, INC. dba Central States Mortgage of Columbus ("Respondent") is a company that holds a certificate of registration to engage in business as a mortgage broker pursuant to R.C. Chapter 1322. Respondent's business address of record is 7610 East Main Street, Reynoldsburg, Ohio 43068. Respondent operates under mortgage broker certificate of registration number MB.803541.

NOTICE OF PROPOSED ACTION

In accordance with R.C. 1322.10 and R.C. Chapter 119, the Division intends to REVOKE Respondent's mortgage broker certificate of registration.

BASIS FOR PROPOSED ACTION

The Division has conducted an investigation of Respondent, pursuant to R.C. 1322.10(B), and has found the following:

- A. The Division is authorized by R.C. 1322.10(A)(1)(a) to revoke a mortgage broker certificate of registration if the Division finds that the applicant has violated "or failed to comply with any provisions of sections 1322.01 to 1322.12 of the Revised Code or the rules adopted under those sections or any other law applicable to the business conducted under a certificate of registration[.]"
- B. R.C. 1322.072 prohibits a person, in connection with any examination or investigation conducted by the superintendent of Financial Institutions under sections 1322.01 to 1322.12 of the Revised Code, from knowingly failing to produce records.

- C. On September 11, 2008, the Division issued an investigatory subpoena duces tecum pursuant to R.C. 1322.10(C) to Respondent at Respondent's registered address, upon Respondent's registered statutory agent, and upon Respondent's headquarters in Wauwatosa, Wisconsin. Service was made upon Respondent's registered address on or about September 12, 2008; upon Respondent's statutory agent on or about September 15, 2008, and upon Respondent's headquarters in Wisconsin on or about September 16, 2008. The subpoena was reserved upon Respondent's statutory agent on or about September 22, 2008. The subpoena required Respondent to produce the documents demanded to the Division no later than October 3, 2008.
- D. On November 19, 2008, the Division's counsel spoke with Respondent's in-house counsel, who was aware of the subpoena, apologized for the delay, and said the documents would be promptly sent.
- E. Respondent knowingly failed to comply with the subpoena.

As a result of the findings listed above, the Division has determined that:

- 1. Respondent's knowing failure to comply with the Division's investigatory subpoena violates R.C. 1322.072(A).
- 2. Respondent's actions listed in paragraph L violated R.C. 1322.07(C).
- 3. Because Respondent violated or failed to comply with R.C. sections 1322.072(A) and 1322.07(C), the Division is authorized under R.C. 1322.10(A)(1)(a) to revoke Respondent's mortgage broker certificate of registration.

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 Respondent's mortgage broker certificate of registration.

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: Ohio Division of Financial Institutions, Attn: Anthony D. Siciliano, Consumer Finance General Counsel, 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. At the hearing, a corporation must have a representative that is permitted to practice before the Agency, such as an attorney.

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 Respondent's mortgage broker certificate of registration.

Signed and sealed this 15th day of December 2008.

LEIGH A. WILLIS

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