

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

In the matter of:)	Case No. M2009-845
)	
WOODSIDE MORTGAGE SERVICES, INC.)	Notice of Intent to Issue Cease and Desist Order
30195 Chagrin Boulevard - Suite 112)	&
Pepper Pike, OH 44124)	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 ("OMBA"), codified in Ohio Revised Code ("R.C.") Chapter 1322.

RESPONDENT

Woodside Mortgage Services, Inc. ("Respondent") is an Ohio corporation that holds an active certificate of registration to engage in business as a mortgage broker pursuant to R.C. Chapter 1322. Respondent's main office address is 30195 Chagrin Boulevard, Suite 112, Pepper Pike, Ohio 44124.

NOTICE OF PROPOSED ACTION

In accordance with R.C. 1322.10(D) and R.C. Chapter 119, the Division intends to issue Respondent an ORDER TO CEASE & DESIST paying, directly or indirectly, referral fees or kickbacks of any kind to or from bona fide third parties or other parties with a related interest in the transaction for the referral of business.

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. R.C. 1322.071(B)(3) states that "[n]o mortgage broker, registrant, or other licensee shall...[p]lay or receive, directly or indirectly, a referral fee or kickback of any kind to or from a bona fide third party or other party with a related interest in the transaction, such as a ...real estate broker or agent, for the referral of business."
- B. In a writing on Respondent's letterhead received by the Division on October 27, 2009, Timothy Bell, a loan officer licensed to originate for Respondent offered a \$100 Home Depot gift card to any referring realtor at closing and also a \$300 Beachwood Mall gift card to the realtor with the most live referrals, with a minimum of two referrals that become loans. In the event of a tie, the realtor with the largest combined loan amount wins.

As a result of the findings listed above, the Division has determined that Respondent is engaged in or believed to be engaged in activities that constitute a violation of R.C. 1322.071(B)(3).

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 ordering Respondent's to cease and desist from engaging in the activities described herein.

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: Jacqueline Mallett, Consumer Finance Attorney, 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 ordering Respondent to cease and desist from engaging in the activities described herein.

Signed and sealed this 18th day of November, 2009.

LEIGH A. WILLIS

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