

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:

**JEFFREY C. BROWN**  
12093 Kilbride Drive  
Cincinnati, OH 45251

)  
) **Case No. 2007-135LOF**  
)  
)  
) **Notice of Intent to Impose a Fine &**  
) **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 Jeffrey C. Brown holds officer license (LO# [005416](#)) issued by the Division pursuant to R.C. 1322. Respondent's employer of record was Allied Home Mortgage Capital Corporation, whose office operates under certificate of registration number MB 3922. Respondent's home address of record is 12093 Kilbride Drive, Cincinnati, OH 45251 and his date of birth is September 9, 1970.

**NOTICE OF PROPOSED ACTION**

In accordance with R.C. 1322.10, and pursuant to R.C. Chapter 119, the Division intends to IMPOSE A FINE of Four Thousand Dollars (\$4,000.00) upon Respondent.

**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. In or about February of 2004, Respondent originated a mortgage loan for David A. Landry so that Mr. Landry could purchase a home located at 1440 Biscayne Drive, Hamilton, Ohio 45013 ("the 1440 Biscayne Drive property").

2. On or about March 3, 2004, Respondent provided Mr. Landry with loan disclosure documents that included a Good Faith Estimate (“GFE”), Uniform Residential Loan Application (“loan application”) and Truth in Lending Disclosure Statement (“TIL”). The GFE, loan application, and TIL all disclosed a \$85,000.00 loan with an interest rate of 5.99% for a term of 30 years except that the TIL also indicated the rate was variable.
3. On March 3, 2004, Respondent sent or had office employees send a facsimile to Recon, Inc., an appraisal company, a request to appraise the 1440 Biscayne Drive property. The facsimile request indicated that Respondent must have an estimated value of \$91,000.00.
4. On March 5, 2004, the 1440 Biscayne Drive property was appraised by Recon, Inc.
5. Sometime between March 3, 2004 and March 10, 2004 a second real estate purchase contract for the 1440 Biscayne Drive property was executed by Mr. Landry that increased the purchase price from \$85,000.00 to \$91,000.00. The second purchase contract included a seller concession equal to \$6,000.00.
6. On March 10, 2004 the seller sent the second purchase contract to Respondent by facsimile. Respondent then sent the contract to Recon, Inc. also by facsimile.
7. On March 11, 2004 the appraisal report was signed. The appraisal report set the value of the 1440 Biscayne Drive property at \$91,000.00 and reported the purchase price as \$91,000.00.
8. On March 26, 2004, Mr. Landry closed his mortgage loan. At the closing Mr. Landry signed a 6.4%, 3/27 adjustable rate mortgage upon a principal amount of \$91,000.00.
9. Documents provided to the Division by Respondent through his attorney included a GFE, loan application and TIL that disclosed to Mr. Landry a 6.4%, 3/27 adjustable rate mortgage upon the principal amount of \$91,000.00. These documents were dated March 20, 2004 and the loan application was signed by Respondent. Respondent alleges that he sent these documents to Mr. Landry.
10. Respondent has admitted that he explained to Mr. Landry how to “stack” closing costs.
11. Respondent claims that beyond providing an explanation of how to “stack” closing costs, he had no involvement in the increase of the purchase price of the house or the execution of the second purchase contract.
12. The Division has reason to believe that this claim is false. This false claim was made by the Respondent to the Division in the course of its investigation.
13. Ohio Revised Code 1322.072 states in part:

No person, in connection with any examination or investigation conducted by the superintendent of financial institutions under section 1322.01 to 1322.12 of the revised code, shall knowingly do either of the following:

(A) Circumvent, interfere with, obstruct, or fail to cooperate, including making a false or misleading statement, failing to produce records or intimidating or suborning any witness.

14. Respondent has violated R.C. 1322.072(A) by knowingly making false or misleading statements in connection with an investigation conducted by the superintendent of financial institutions under R.C. 1322.01 to 1322.12.
15. According to R.C. 1322.10(A)(1), the Superintendent of Financial Institutions may impose a fine 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. By making false and misleading statements during an investigation conducted by the Division, Respondent has violated R.C. 1322.072(A).
2. Based upon the authority granted pursuant to R.C. § 1322.10(A)(1) by Respondent's violation of R.C. 1322.072(A), the superintendent may impose a fine upon Respondent.

### **PROPOSED ACTION**

Based upon the allegations and findings above, the Division intends to IMPOSE A FINE of Four Thousand Dollars (\$4,000.00) upon Respondent Jeffrey C. Brown (LO# 005416).

### **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 IMPOSING A FINE of Four Thousand Dollars (\$4,000.00) upon Jeffrey C. Brown (LO# 005416).

**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 his 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 IMPOSING A FINE of Four Thousand Dollars (\$4,000.00) upon Jeffrey C. Brown (LO# 005416).

Signed and Sealed this 26<sup>th</sup> day of March, 2007.

---

Richard F. Keck  
Acting Deputy Superintendent of Financial Institutions

cc: Timothy C. Winslow, In House Counsel—Division of Financial Institutions  
Matthew J. Lampke, Assistant Attorney General, Executive Agencies