

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

In the matter of:)	Case No. M2007-316
)	
HERITAGE FINANCIAL GROUP, LLC)	Notice of Intent to Revoke Mortgage Broker Registration
497 Circle Freeway Drive, Suite 228)	&
Cincinnati, Ohio 45246)	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. In accordance therewith, the Division is accountable for the registration of mortgage brokers.

RESPONDENT

HERITAGE FINANCIAL GROUP, LLC. ("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 497 Circle Freeway Drive, Suite 228, Cincinnati, Ohio 45246.

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. 1322.07(C) prohibits a registrant from engaging in conduct that constitutes improper, fraudulent, or dishonest dealings.
- C. R.C. 1322.02(B) prohibits a person from acting as a loan officer without first having obtained a license from the superintendent.

- D. R.C. 1322.031(E)(2) provides that a licensee, whose employment has been terminated, may request the transfer of the license to another mortgage broker by submitting a relocation application along with a fifteen dollar fee to the superintendent. R.C. 1322.031(E)(2) also provides that a licensee whose license is held in escrow shall cease activity as a loan officer. Further, a mortgage broker may employ a loan officer on a temporary basis pending the transfer of the loan officer's license to the mortgage broker if the mortgage broker receives written confirmation from the superintendent that the loan officer is licensed under the OMBA. See R.C. 1322.031(E)(2).
- E. Christopher G. Roach was issued a loan officer license on May 20, 2002 under the employment of mortgage broker registrant Omega Mortgage Banc, LLC.
- F. On or about April 30, 2005, the Division received a notice of loan officer termination from Mr. Roach's employer, Omega Mortgage Banc, LLC. As there was no longer an employer of record, Mr. Roach's loan officer license was placed in escrow and he was thus prohibited from originating loans.
- G. Mr. Roach failed to renew his loan officer license prior to its expiration on April 30, 2006. Accordingly, Mr. Roach's loan officer license was not renewed by operation of law and Mr. Roach was required to cease activity as a loan officer pursuant to R.C. 1322.041(C).
- H. On September 21, 2006, Mr. Roach reapplied for a loan officer license with Respondent listed as the employing mortgage broker. The application's attached Certificate of Employment was signed on September 13, 2006 by Steve Mahl, operations manager for Respondent.
- I. From approximately January 2006 to November 2006, Mr. Roach originated or assisted in the origination of fourteen residential mortgage loans as a loan officer employed by Respondent.
- J. Before Mr. Roach began working as a loan officer for Respondent, a loan officer transfer application and fee, as required by R.C. 1322.031(E)(2), were never filed with the Division. Respondent never requested written confirmation from the Division that Mr. Roach was licensed under the OMBA. A loan officer license was never issued permitting Mr. Roach to work as a loan officer for Respondent.
- K. From January 2006 through April 2006, Respondent employed Mr. Roach as a loan officer while Mr. Roach's license was in escrow status pursuant to R.C. 1322.031(E)(2).
- L. From May 2006 through November 2006, Respondent employed Mr. Roach as an unlicensed loan officer.

- M. R.C. 1322.062 requires a mortgage broker to deliver to the buyer a “mortgage loan origination disclosure statement” that discloses specific information concerning the registrant, the loan officer, the services provided, payment of third-party fees, and compensation to the registrant.
- N. Of the fourteen residential mortgage loans originated by Mr. Roach on behalf of Respondent, none of those buyers received a mortgage loan origination disclosure statement that conformed to the requirements specified in R.C. 1322.062.

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

- 1. Respondent’s actions violated R.C. 1322.031(E)(2).
- 2. Respondent’s actions violated R.C. 1322.062.
- 3. Respondent’s actions violated R.C. 1322.07(C).
- 4. Because Respondent violated or failed to comply with R.C. sections 1322.031(E)(2), R.C. 1322.062, and R.C. 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 certificate of registration under the Ohio Mortgage Broker Act.

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 or LLC 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 denying Respondent's renewal application.

Signed and sealed this 6th day of August 2007.

RICHARD F. KECK

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