

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

In the matter of:)	Case No. M2008-467
)	
SILVER TREE MORTGAGE, LLC)	Notice of Intent to Deny 2008
17 North Main Street)	Renewal Application
Mechanicsburg, Ohio 43044)	&
)	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

SILVER TREE MORTGAGE LLC ("Respondent") is a limited liability company that held a certificate of registration to engage in business as a mortgage broker pursuant to R.C. Chapter 1322. Respondent's mortgage broker certificate of registration expired on April 30, 2008, and Respondent filed an application to renew its certificate of registration. The renewal application remains pending. Respondent's business address of record is 17 North Main Street, Mechanicsburg, Ohio 43044.

NOTICE OF PROPOSED ACTION

In accordance with sections 1322.04 and 1322.10 of the R.C., and R.C. Chapter 119, the Division intends to DENY Respondent's 2008 renewal application for a 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 refuse to renew an applicant's mortgage broker certificate of registration if the Division finds that the applicant has violated "or failed to comply with any provision 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. 1322.04(B)(3) provides that a mortgage broker certificate of registration will be renewed annually if the superintendent finds that the applicant meets the conditions set forth in divisions (A)(2) to (10) of R.C. 1322.04. R.C. 1322.04(A)(6) lists as a condition of mortgage broker renewal that "the applicant complies with sections 1322.01 to 1322.12 of the Revised Code."
- C. Jennifer R. Haggy is owner and sole member of Silver Tree Mortgage, LLC.
- D. On or around February 28, 2008, in the Champaign County Court of Common Pleas, Jennifer R. Haggy pleaded guilty to one count of operating a vehicle under the influence of alcohol (first degree misdemeanor), and two counts of vehicular assault (fourth degree felony).

- E. On or around April 28, 2008, Jennifer R. Haggy, on behalf of Respondent, attested that information provided on the mortgage broker certificate of registration renewal application submitted to the Division was complete and truthful when it was not.
- F. On or around April 28, 2008, in an attempt to obtain a mortgage broker certificate of registration, Respondent provided untruthful information to the Division about whether Respondent or any owner, or member, was charged with, convicted of, or pleaded guilty to any state or criminal offense.
- G. R.C. 1322.04(B)(3) provides that a mortgage broker certificate of registration will be renewed annually if the superintendent finds that the applicant meets the conditions set forth in divisions (A)(2) to (10) of R.C. 1322.04. R.C. 1322.04(A)(3) provides that the designated operations manager pursuant to R.C. 1322.03(A)(3) meets the experience requirements provided in R.C. 1322.03(A)(4) and the education requirements in R.C. 1322.03(A)(5). R.C. 1322.04(A)(9) provides that the operations manager successfully completed the examination in section R.C. 1322.051(A). Respondent's operations manager, Jennifer R. Haggy, failed to renew her loan officer license prior to May 31, 2008. Pursuant to 1301:8-7-12(E)(1), an operations manager must hold an active loan officer license issued by the Division. Consequently, Respondent cannot meet the conditions for licensure in R.C. 1322.04(B)(3).

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

- 1. Respondent's actions, in paragraphs E and F, violated R.C. 1322.07(A), which prohibits a mortgage broker applicant or registrant from "mak[ing] any substantial misrepresentation in any registration or license application[.]"
- 2. Respondent's actions, in paragraphs E and F, violated R.C. 1322.07(B), which prohibits a mortgage broker applicant or registrant from "[m]ak[ing] false or misleading statements of a material fact, [or] omissions of statements required by state law[.]"
- 3. Respondent's actions, in paragraphs E and F, violated R.C. 1322.07(C), which prohibits a mortgage broker applicant or registrant from "[e]ngage[ing] in conduct that constitutes improper, fraudulent, or dishonest dealings."
- 4. Due to Respondent's violations of R.C. 1322.07(A), (B), and (C), Respondent fails to meet the condition for renewing its mortgage broker certificate of registration in R.C. 1322.04(A)(6) and R.C. 1322.04(B)(3). See, also, R. C. 1322.10(A)(1)(a).
- 5. Respondent's character and general fitness do not command the confidence of the public and warrant the belief that the business will be operated honestly and fairly in compliance with the purposes of the Ohio Mortgage Broker Act. R.C. 1322.04(A)(10) & (B)(3).
- 6. Because Respondent does not have an approved operations manager, it does not meet the conditions for renewal listed in R.C. 1322.04(A)(3) and (A)(9) and R.C. 1322.04(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 denying Respondent's renewal application 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: Martha S. Rhea, Consumer Finance Attorney Examiner, 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 denying Respondent's renewal application.

Signed and sealed this 4th day of August, 2008.

LEIGH A. WILLIS

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