

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

In the matter of:	) Case No. M2008-434
	)
<b>JOSEPH A. KOVARIK</b>	) <b><u>DIVISION ORDER</u></b>
4281 Hamilton Richmond Road	) <b>Denial of Loan Officer License</b>
Oxford, OH 45056	) <b>Renewal Application</b>
	) <b>&amp;</b>
	) <b>Notice of Appellate Rights</b>

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WHEREAS, the Ohio Department of Commerce, by and through the Superintendent of the Division of Financial Institutions ("Division") and charged with the responsibility of administering and enforcing the Ohio Mortgage Broker Act, as codified in Ohio Revised Code ("R.C.") Chapter 1322, the Division finds that this Order is necessary and appropriate, in the interest of the public, and is consistent with the purposes of the Ohio Mortgage Broker Act; and

WHEREAS, the Division issued Joseph A. Kovarik ("Respondent") a loan officer license on September 23, 2005; and

WHEREAS, Respondent's loan officer license expired on April 30, 2008, Respondent filed an application to renew his loan officer license, and the renewal application remains pending; and

WHEREAS, on July 10, 2008, the Division issued Respondent a Notice that informed him that the Division had conducted an investigation of Respondent and, as a result thereof, alleged that:

1. In or around 1958, in Hoke County, North Carolina, Respondent was convicted of Auto Larceny. As a result of the findings listed above, the Division has determined that the Respondent has been convicted of a theft offense as described in R.C. 1322.031(A)(2), and, therefore, the Division is not authorized to renew Respondent's loan officer license pursuant to R.C. 1322.041(A)(3) & (B)(3).

2. On or around September 8, 2005, Respondent attested in a sworn statement that information he provided about his criminal background on his loan officer license application submitted to the Division was complete and truthful when it was not.

3. On or around September 19, 2005, in an attempt to obtain a loan officer license, Respondent provided untruthful information about his criminal background to the Division.

4. On or around March 28, 2007, Respondent attested in a sworn statement that information he provided about his criminal background on his loan officer license renewal application submitted to the Division was complete and truthful when it was not.

5. On or around March 29, 2007, in an attempt to obtain a loan officer license, Respondent provided untruthful information about his criminal background to the Division.

6. On or around March 26, 2008, Respondent attested in a sworn statement that information he provided about his criminal background on his loan officer license application submitted to the Division was complete and truthful when it was not.

7. On or around March 26, 2008, in an attempt to obtain a loan officer license, Respondent provided untruthful information about his criminal background to the Division.

8. Respondent's actions, as listed above in Paragraphs 2 through 7, show 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. See R.C. 1322.041(A)(6).

9. Respondent's actions listed in Paragraphs 2 through 7 violated R.C. 1322.07(A), which prohibits a loan officer applicant from "mak[ing] any substantial misrepresentation in any registration or license application[.]"

10. Respondent's actions listed in Paragraphs 2 through 7 violated R.C. 1322.07(B), which prohibits a loan officer applicant from "[m]ak[ing] false or misleading statements of a material fact, [or] omissions of statement required by state law[.]"

11. Respondent's actions listed in Paragraphs 2 through 7 violated R.C. 1322.07(C), which prohibits a loan officer applicant from "[e]ngage[ing] in conduct that constitutes improper, fraudulent, or dishonest dealings."

WHEREAS, the Notice informed Respondent of the Division's intent to deny Respondent's loan officer license renewal application and of the opportunity for a hearing regarding the denial if requested within thirty days from the mailing of the Notice. The Notice further cautioned Respondent that "[i]f the Ohio Division of Financial Institutions d[id] not receive a written request for a hearing in its offices within thirty (30) days of the time of the mailing of th[e] Notice, the Superintendent w[ould] issue an order denying Respondent's loan officer license renewal application [;]"

WHEREAS, the Notice was mailed to Respondent, via certified mail, on July 10, 2008, and service was perfected;

WHEREAS, Respondent failed to request a hearing and thereby failed to defend against the Division's allegations;

WHEREAS, the Division finds that the allegations contained in the Notice are true and that Respondent should be denied a renewal license to act as a loan officer;

Respondent, Joseph A. Kovarik's loan officer license renewal application is hereby DENIED.

It is so ordered.

**NOTICE OF RIGHT TO APPEAL**

Respondent is hereby notified that this Order may be appealed, pursuant to R.C. 119.12, by filing a notice of appeal with the Ohio Division of Financial Institutions, setting forth the Order appealed from and the grounds for the appeal. A copy of such notice of appeal must also be filed with the court of common pleas of the county in which the place of business of the Respondent is located, or the county in which the Respondent is a resident. A notice of appeal must be filed within fifteen (15) days after the date of mailing of this Order.

Signed and sealed this 20<sup>th</sup> day of August, 2008.

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**LEIGH A. WILLIS**

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