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Governor

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DIVISION OF FINANCIAL  
INSTITUTIONS  
Kimberly A. Zurz  
Director  
2007 SEP 19 PM 1:19

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:

**UNITED MORTGAGE GROUP, INC.**

7271 Engle Road

Middleburg Heights, OH 44233

)

) **Case No. 2007-134MBR**

)

) **DIVISION ORDER**

) **Mortgage Broker Revocation &**

) **Notice of Appellate Rights**

WHEREAS, 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, as amended and 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, United Mortgage Group, Inc. ("Respondent") held a mortgage broker certificate of registration (MB #3090) issued by the Division pursuant to R.C. Chapter 1322, which certificate of registration was active on March 26, 2007; and

WHEREAS, the Division on March 26, 2007 issued Respondent a Notice of Intent to Revoke the Mortgage Broker Certificate of Registration & Notice of Opportunity for a Hearing which informed Respondent that the Division had conducted an investigation of Respondent and, as a result thereof, alleged that:

1. Respondent was sued in the Portage County Court of Common Pleas on June 30, 2004 (Case No. 04-CV-719), which complaint alleged that Respondent committed fraud in connection with a June 2004 mortgage home loan refinance transaction.
2. On June 24, 2005 the Portage County Court entered default judgment against Respondent.
3. On July 26, 2005 Respondent filed a Motion for Reconsideration and Motion to Vacate the entry of default judgment. On page three of its Memorandum in Support of its Motion, Respondent plead that "The first time United Mortgage learned of Plaintiffs' complaint and the subsequent default judgment was on or about July 13, 2005, when Plaintiffs mailed a copy to it at its correct business address."
4. The Portage County Court vacated the default judgment and Respondent filed an Answer to the Complaint. However, on January 10, 2006 the Portage County Court granted

Respondent's Counsel's Motion to Withdraw. Thereafter, Respondent neglected to further defend itself in the case pending before the Portage County Court.

5. On August 23, 2006 the Court issued an Order and Journal Entry in Case No. 04-CV-719 granting judgment in favor of Plaintiffs against Respondent in the amount of \$128,650.00.
6. On April 28, 2006 officers of Respondent signed its 2006 Mortgage Broker Renewal Application attesting that the statements of all information requested within the renewal application were complete, truthful and correct.
7. Question Number 8 on the renewal application states: "Has the registrant or any owner, partner, shareholder, member, officer, director, operations manager been named in any civil or administrative action that involved insurance, securities, or consumer or real estate lending or brokering? Include pending actions." Respondent answered "No" to Question Number 8.
8. On July 10, 2006, the Division issued a mortgage broker certificate of registration renewal to Respondent.
9. Respondent has violated R.C. 1322.07(A) by making a false or misleading representation of a material fact, omitting a material fact required by law and/or making a substantial misrepresentation on a registration application.
10. Pursuant to R.C. 1322.10(A)(1), the Superintendent of Financial Institutions may revoke a certificate of registration if the superintendent finds a violation of or failure to comply with any provision of R.C. 1322.01 to R.C. 1322.12.

WHEREAS, after unsuccessful attempts to perfect service by certified mail to the company's statutory agent, the Respondent was served with the Notice by publication and was informed of the Division's intent to revoke its mortgage broker certificate of registration and of the opportunity for a hearing regarding the denial if requested within thirty days from the date of the publication of the Notice. The publication further cautioned Respondent that "[i]f the Ohio Division of Financial Institutions does not receive a written request for a hearing in its offices within thirty (30) days of the publication of this Notice, the Division will issue an Order denying Respondent's 2004 Mortgage Broker Certificate of Registration Renewal Application."

WHEREAS, upon being so served by publication perfected on August 17, 2007, Respondent failed to request a hearing, thereby failing to defend against the Division's allegations;

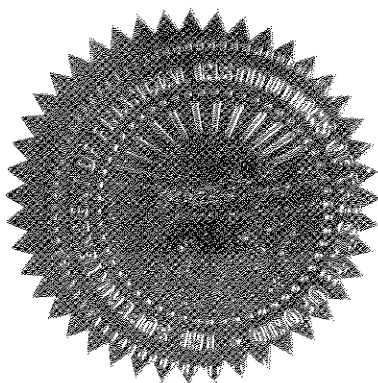
WHEREAS, the Division finds that the allegations contained in the Notice are true and that Respondent's certificate of registration to conduct business as a mortgage broker should be revoked;

For the above stated reasons, the Division hereby revokes the mortgage broker certificate of registration of United Mortgage Group, Inc. (MB #3090).

IT IS SO ORDERED.

**NOTICE OF RIGHT TO APPEAL**

Respondent is hereby notified that, pursuant to R.C. 119.12, this Order may be appealed 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, pursuant to R.C. 119.12, 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 19<sup>th</sup> day of SEPTEMBER, 2007.

Richard F. Keck  
Richard F. Keck  
Acting Deputy Superintendent for Consumer Finance  
Division of Financial Institutions