

**STATE OF OHIO  
DEPARTMENT OF COMMERCE**

05 JUL 26 PM 2:44

IN THE MATTER OF:

**LISA A. SADDLER**

DIVISION OF FINANCIAL  
INSTITUTIONS

CASE NO. 04-0202-LOD

---

**REPORT AND RECOMMENDATION  
ADMINISTRATIVE HEARING OFFICER D. MICHAEL QUINN**

**Issued July 25, 2005**

**I. FINDINGS OF FACT**

**A. BACKGROUND**

The above matter came before this Hearing Officer, an attorney licensed to practice law in Ohio, and duly appointed by the Ohio Division of Financial Institutions (hereinafter the "Division") to serve as Hearing Officer for an adjudicative hearing in accordance with the Administrative Procedures Act, Chapter 119, Ohio Revised Code (hereinafter "O.R.C."). Said hearing was held at 2:00 PM on October 8, 2004, at 77 South High Street, 19<sup>th</sup> Floor, room 1918, Columbus, Ohio.

The hearing was held at the request of Respondent Lisa A. Saddler, of Cleveland, Ohio (hereinafter the "Respondent") to consider the Division's Notice of Intent to Deny Loan Officer License Application, Notice of Opportunity for a Hearing (hereinafter "NOH"). Said NOH was based upon an allegation that Respondent pleaded guilty in 2002, in Cuyahoga County, Ohio, to Trafficking in Drugs and Possession of Drugs, both felonies of the fifth degree, and is thereby ineligible to hold a license as a Mortgage Loan Officer. The Division appeared and was represented by the Ohio Attorney General's Office, Assistant Attorney General Emily Smith. Respondent appeared and was represented by Douglas J. Haynes, of Columbus, Ohio.

At the hearing, State's Exhibits 1 through 7 were admitted into the record. Respondent's Exhibits A and B were admitted into the record over the Division's objection on hearsay grounds, all subject to the limited weight afforded the documents, as discussed in the transcript (hereinafter "Tr.").

## B. JURISDICTION

The Division issued the NOH against Respondent on January 22, 2004. Respondent requested a hearing, which was received by the Division on February 24, 2004. On March 2, 2004, the Division scheduled the hearing for March 8, 2004, but continued the hearing to an unspecified date on its own motion. By letter of May 10, 2004, the Division scheduled the hearing for August 10, 2004. At Respondent's request, the hearing was continued to October 8, 2004, at which time the hearing went forward.

## C. PROPOSED ISSUANCE OF ORDER TO DENY LICENSE APPLICATION

1. The Division is the state agency responsible for the licensing and regulation of Mortgage Loan Officers pursuant to O.R.C. Chapter 1322. (Exhibit 3.)
2. Respondent is an individual who wishes to conduct business in Ohio as a Mortgage Loan Officer. (Exhibit 1; Tr. p. 101.)
3. A statutory requirement became effective on May 2, 2002, which mandated, for the first time, that Mortgage Loan Officers become licensed. (Senate Bill 76, 2001.)
4. On or about March 3, 2003, the Division received from Respondent a Loan Officer Application (hereinafter the "Application"). (Exhibit 1.)
5. Within the Application Respondent answered "Yes" to Question number 5, which asked: "Have you ... ever been convicted of or pleaded guilty to any criminal offense including, but not limited to, theft, ...forgery, ... drug trafficking, or any criminal offense involving money..." (Exhibit 1.)
6. In 2002, Respondent was found guilty of one count of drug trafficking and one count of possession of drugs. (Exhibit 2; Tr. pp. 14-16.)

7. Respondent's explanation of the 2002 conviction was as follows: As a result of her juvenile brother being arrested for selling drugs while living with their mother, her 16 year-old brother was released to the custody of Respondent and came to live with Respondent, who was 25 years old at the time. After some months of residing at her home, the police arrested both of them because her brother had sold cocaine to an informant. Respondent and her brother testified that the drugs found near Respondent were dropped there by the brother during the arrest. Respondent states she never used drugs. (Tr. pp. 14-16, 26-56, 61-73.)
8. Respondent's brother testified that he had been the one who had been dealing drugs and was the reason the police broke into the apartment and arrested them. (Tr. pp. 61-73.)
9. Witnesses S. Spates and L. Pursley appeared on Respondent's behalf. Each has Known Respondent for a number of years and each has knowledge of Respondent's work ethic. Each believes Respondent to be honest, trustworthy and should receive a loan officer's license. (Tr. pp. 73-91.)
10. Pursley has worked with Respondent on a number of different loans in Respondent's present capacity as a loan processor. Pursley has given a significant percentage of her business to Respondent because Pursley's belief in Respondent's hard work and honesty. (Tr. pp. 83-91.)
11. Respondent acknowledged her conviction by responding "Yes" on Question 5 of the Application. (Exhibit 1.)
12. Two individuals submitted letters of recommendation which indicate that, knowing Respondent over a number of years, Respondent has demonstrated to them that she is an honest and hard working individual. Both believe Respondent to have a good reputation. (Exhibits A, B.)

## **II. CONCLUSIONS OF LAW**

### **A. JURISDICTIONAL ISSUE**

1. The Division procedurally complied with O.R.C. Chapter 119.

B. LICENSE APPLICATION

2. In 2002, Respondent was found guilty of a "criminal offense involving ...drug trafficking...", an offense specifically cited in section 1322.041(A)(3), O.R.C., and on the Application.
3. The drug trafficking offense being proven by the Division, in order to obtain a license the Respondent must now prove, by a preponderance of the evidence, that the Respondent's "activities and employment record since the conviction show that the applicant is honest, truthful, and of good reputation, and there is no basis in fact for believing that the applicant will commit such an offense again." Section 1322.041(A)(3), O.R.C.
4. Respondent's Exhibits A and B are letters from Respondent's past co-workers who were not in attendance at the hearing. Because an administrative hearing is designed to permit a respondent an opportunity to offer an explanation without the formalities or expense of a trial, Exhibits A and B were admitted into the record and considered. Because the State could not cross examine the letter writers to test the authenticity, accuracy or details of the documents, Exhibits A and B have been afforded reduced weight. Because both letters were witnessed, albeit by an unknown person, their weight was enhanced.
5. Respondent's demeanor during the hearing, in combination with the testimony of witnesses, is sufficient to meet Respondent's burden to show there is no basis in fact for believing that she will commit such an offense again.
6. In eliciting evidence whether Respondent's activities since the offenses prove that the Respondent is honest and truthful, the Division demonstrated that, on or about March 6, 2003, Respondent signed an application under oath and filed that application with a state agency – the Division – to obtain a license to engage in an occupation and that application contained truthful information, to wit: the "Yes" response to Question 5.
7. Because the Application submitted by Respondent contained a truthful response, Respondent further demonstrated that her activities since the offenses show that she is honest and truthful.
8. Respondent's reputation at past and present employment is good.
9. The Division also charged that 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.

10. Filing an accurate Application is positively demonstrative of an applicant's character and general fitness and of whether the business will be operated honestly and fairly in compliance with law, including the lack of attention to detail.
11. No other conviction appears in evidence and Respondent's and her brother's testimony indicates that there is no reason to believe that there is no reason to believe she will commit such an offense again or that 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.
12. Respondent did present sufficient testamentary evidence that her character and general fitness 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.

### III. RECOMMENDATION

The Division has proven the prior criminal convictions. Respondent did present sufficient evidence to prove, by a preponderance of the evidence, that her activities since the convictions show she has been honest and truthful and that her character and general fitness 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 and that a license should be issued. Consequently, the recommendation to the Superintendent of Financial Institutions is to **GRANT A MORTGAGE LOAN OFFICER'S LICENSE TO LISA A. SADDLER.**

Respectfully submitted, 

 J. Michael Quinn  
Hearing Officer  
July 25, 2005  
Docket No. 04-DFI-104