

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

In the matter of: ) Case No. M2009-156  
)  
**CATHY S. FEINAUER** ) **NOTICE OF INTENT TO IMPOSE A FINE**  
7653 Lakota Hills Drive ) **&**  
West Chester, Ohio 45069 ) **NOTICE OF OPPORTUNITY FOR HEARING**  
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**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 and the Ohio Mortgage Loan Act, codified in R.C. Chapter 1321. In accordance therewith, the Division is accountable for the registration of mortgage brokers.

**RESPONDENT**

**CATHY S. FEINAUER** ("Respondent") is an individual who held a loan officer license number 019368 issued pursuant to R.C. Chapter 1322. Respondent's loan officer license expired on April 30, 2008 and was renewed in 2008. Respondent's home address of record is 7653 Lakota Hills Drive, West Chester, Ohio 45069. Respondent employer of record is Blue Ribbon Mortgage, Inc., 6310 East Kemper Road, Suite 200, Cincinnati, Ohio 45241.

**NOTICE OF PROPOSED ACTION**

In accordance with R.C. sections 1322.041 and 1322.10, and R.C. Chapter 119, the Division intends to FINE Respondent.

**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)(2) to "[i]mpose of fine of not more than one thousand dollars, for each day a violation of law or rule is committed, repeated or continued. If the registrant or licensee engages in a pattern of repeated violations of law or rule, the Division may impose a fine of not more than two thousand dollars for each day the violation is committed, repeated, or continued."
- B. R.C. 1322.02(A) requires registrants to maintain an office in the State of Ohio in order to transact business as a mortgage broker within the State of Ohio
- C. Pursuant to to Ohio Admin. Code 1301:8-7-02(E) a certificate of registration must be obtained for every office that is maintained for the transaction of mortgage broker

business in the State of Ohio and for every location held out as a location where the registrant, an employee of the registrant or any agent of the registrant provides mortgage broker services.

- D. Ohio Admin. Code 1301: 8-7-19(H)(2) requires registrants to notify the superintendent of a change in business address at least thirty (30) days prior to the effective date of the change in the manner prescribed therein
- E. R.C. 1322.07(A) prohibits a licensee from “mak[ing] any substantial misrepresentation in any registration or license application[.]”
- F. R.C. 1322.07(B) prohibits a licensee from “[m]ak[ing] false or misleading statements of a material fact, [or] omissions of statement required by state law[.]”
- G. R.C. 1322.07(C) prohibits licensees from “[e]ngaging in conduct that constitutes improper, fraudulent, or dishonest dealings [.]”
- H. Since at least 2007, Respondent has been the president, sole shareholder and designated operations manager of Blue Ribbon Mortgage, Inc. (“Blue Ribbon Mortgage”).
- I. Since at least 2007, Respondent made no indication of any change in ownership or of operations manager on the annual renewal applications Blue Ribbon Mortgage submitted to the Division.
- J. As the operations manager of Blue Ribbon Mortgage, Respondent was responsible for the day to day operations of Blue Ribbon Mortgage and compliance with R.C. Chapter 1322 and the rules adopted thereunder. See, R.C. 1322.01(H), R.C. 1322.03(A)(3) and Ohio Admin. Code 1301:8-7-02(L).
- K. In or around January 2008, Respondent moved Blue Ribbon Mortgage away from the registered office located at 6310 Kemper Road, Suite 200, Cincinnati, Ohio 45241.
- L. The Division received no notification from Respondent of a change in the business address of Blue Ribbon Mortgage.
- M. In or around April 2008, Respondent submitted the annual renewal application for Blue Ribbon Mortgage and failed to disclose that Blue Ribbon Mortgage had changed the location of its office registered with the Division.
- N. In or about May 2008, the Division issued a renewal certificate of registration to Blue Ribbon Mortgage.
- O. In or around December 2008, a Division examiner discovered Respondent had moved Blue Ribbon Mortgage away from its registered mortgage broker office.

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

- 1. Respondent’s actions listed in paragraph K violated R.C. 1322.02(A), Ohio Admin Code 1301: 8-7-02(E) and 8-7-19(H)(2).

2. Respondent's actions listed in paragraphs L and M violated R.C. 1322.07(C) and 1322.07(A), (B) and (C), respectively.
3. Because Respondent violated or failed to comply with R.C. 1322.02(A), 1322.07(A), (B) and (C), and Ohio Admin. Code 1301: 8-7-02(E) and 8-7-19(H)(2), the Division is authorized under R.C. 1322.10(A)(2) to impose a fine upon Respondent.
4. A fine in the amount of six thousand dollars (\$6,000.00) is reasonable, appropriate, and necessary.

**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 to Respondent ordering payment of a six thousand dollar (\$6,000.00) fine 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: Lori A. Massey, Consumer Finance Attorney Examiner, 77 South High Street, 21<sup>st</sup> 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 to Respondent ordering payment of a six thousand dollar (\$6,000.00) fine.**

Signed and sealed this 12<sup>th</sup> day of March, 2009.

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**LEIGH A. WILLIS**

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