

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

In the matter of:)	Case No. M2008-112
)	<u>AMENDED</u>
LAWRENCE NALLIE)	Notice of Intent to Deny Loan Officer License
143 Blackberry Drive)	Renewal Application
Hudson, Ohio 44236)	&
)	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 licensing of individuals as residential mortgage loan officers.

RESPONDENT

LAWRENCE NALLIE ("Respondent") is an individual who holds a loan officer license 024978 issued by the Division pursuant to Chapter 1322. His address of record is 143 Blackberry Drive, Hudson, Ohio 44236, and his date of birth is August 8, 1960. Respondent's employer of record is Woods Mortgage Group, Inc., 9217 State Route 43, Suite 240, Streetsboro, Ohio 44241.

NOTICE OF PROPOSED ACTION

In accordance with sections 1322.041 and 1322.10 of the R.C., and R.C. Chapter 119, the Division intends to DENY Respondent's loan officer license renewal application.

BASIS FOR PROPOSED ACTION

The Division has conducted an investigation, pursuant to R.C. 1322.031(B), and has found the following:

- A. The Division is authorized by R.C. 1322.10(A)(1)(a) to refuse issuance of a loan officer license if the Division finds that the licensee or 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[.]"
- B. The Division is authorized by R.C. 1322.041(B)(3) to renew a loan officer's license if the applicant's character and general fitness commands public confidence and warrants the belief that business will be operated honestly and fairly and in compliance with the purposes of the Ohio Mortgage Broker Act. See R.C. 1322.041(A)(6).

- C. The Division is required by Ohio Admin. Code 1301:8-7-21(H) to consider an applicant's "failure to fully satisfy any judgment or award issued by any court of competent jurisdiction" in order to determine an applicant's character and general fitness.
- D. The Division is authorized by Ohio Admin. Code 1301:8-7-10(G) to deny a loan officer's renewal application if the applicant submits "false or incomplete information or omit[s] information in connection with a license application [.]"
- E. In or around 2006, Respondent submitted a loan officer license renewal application.
- F. The 2006 Loan Officer Renewal Application ("2006 Renewal") provided the following instruction for all questions: "Within the past sixteen (16) months have any of the following occurred that were not reported to the Division on your most recent loan officer application or your 2005 renewal[.]" Question Number 3 of the 2006 Renewal asked "Do you have any unpaid civil judgments against you? If yes, a certified copy of the judgment entry and proof of payment history MUST be attached to this application or the application will not be processed."
- G. Respondent answered "No" to Question Number 3 of the 2006 Renewal.
- H. In or around 2007, Respondent submitted a loan officer license renewal application.
- I. The 2007 Loan Officer Renewal Application ("2007 Renewal") provided the following instruction for questions two (2) through six (6): "Within the past sixteen (16) months have any of the following occurred that were not reported to the Division." Question Number 4 of the 2007 Renewal asked "Do you have any unpaid civil judgments against you? If yes, a certified copy of the judgment entry and proof of payment history MUST be attached to this application or the application will not be processed."
- J. Respondent answered "No" to Question Number 4 of the 2007 Renewal.
- K. In or around 2008, Respondent submitted a loan officer license renewal application.
- L. The 2008 Loan Officer Renewal Application ("2008 Renewal") provided the following instruction for all questions: "Within the past sixteen (16) months have any of the following occurred that were not reported to the Division." (Emphasis original). Question Number 4 of the 2008 Renewal asked "Do you have any unpaid civil judgments against you? If yes, a certified copy of the judgment entry and proof of payment history MUST be attached to this application or the application will not be processed."
- M. Respondent answered "No" to Question Number 4 of the 2008 Renewal.
- N. On or about May 6, 2005, the Franklin County Municipal Court filed a Judgment Entry against Respondent imposing a monetary civil judgment for the Plaintiff in Case No. 2004 CVF 016935, *Chad Rolsten v Lawrence Nallie*.
- O. On or about December 20, 2007, the Franklin County Municipal Court filed a Judgment Entry against Respondent imposing a monetary civil judgment for the Plaintiff in Case No. 2006 CVF 47223, *CME Federal Credit Union v. Lawrence Nallie aka Lawrence M. Nallie*.

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

1. Respondent had civil judgments entered against him by courts of competent jurisdiction.
2. Respondent failed to disclose the civil judgments entered against him to the Division as required by Chapter 1322 and provided no proof that these judgments had been fully satisfied.
3. Respondent submitted false or incomplete information on and/or omitted information from his 2006, 2007 and 2008 loan officer renewal applications.
4. Because Respondent failed to disclose civil judgments entered against him by courts of competent jurisdiction and provided no proof that the judgments had been fully satisfied, 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), R.C. 1322.041(B)(3) and Ohio Admin. Code 1301:8-7-21(H).
5. Because Respondent failed to disclose civil judgments entered against him on his 2006, 2007 and 2008 loan officer renewal applications, Respondent violated R.C. 1322.07(A), which prohibits a loan officer applicant from "mak[ing] any substantial misrepresentation in any registration or license application[.]"
6. Because Respondent failed to disclose civil judgments entered against him on his 2006, 2007 and 2008 loan officer renewal applications, Respondent 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[.]"
7. Because Respondent failed to disclose civil judgments entered against him on his 2006, 2007 and 2008 loan officer renewal applications, Respondent 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."
8. Because Respondent submitted false or incomplete information on and/or omitted information from his 2006, 2007 and 2008 loan officer renewal applications, the Division may deny Respondent's 2008 renewal application pursuant to OAC 1301:8-7-10(G).
9. Because Respondent violated R.C. 1322.07(A), (B), and (C), and Ohio Admin. Code 1301:8-7-10(G), the Division is authorized under to deny issuance of a loan officer renewal license to Respondent pursuant to R.C. 1322.10(A)(1)(a).

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 a loan officer renewal license 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 - 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.

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 loan officer license renewal application.

Signed and sealed this 19th day of August, 2008.

LEIGH A. WILLIS

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