

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

In the matter of:	)	Case No. M2008-290
	)	
<b>KHARON L. PALMER</b>	)	<b>Notice of Intent to Revoke Loan Officer License and</b>
2818 Jackson Pike	)	<b>Notice of Intent to Fine</b>
Batavia, Ohio 45103	)	<b>&amp;</b>
	)	<b>Notice of Opportunity for a Hearing</b>
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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 rules adopted thereunder.

**RESPONDENT**

**KHARON L. PALMER** ("Respondent") is an individual who holds a loan officer license issued by the Division to originate residential mortgage loans pursuant to R.C. Chapter 1322. Her address of record is 2818 Jackson Pike, Batavia, Ohio 45103, and her date of birth is July 12, 1950. Respondent's employer of record is Premier Mortgage Funding of Ohio, Inc., 3001 Executive Parkway, Suite 330, Clearwater, Florida 33762.

**NOTICE OF PROPOSED ACTION**

In accordance with R.C. sections 1322.041 and 1322.10, and R.C. Chapter 119, the Division intends to REVOKE Respondent's loan officer license and IMPOSE A FINE of two thousand dollars (\$2,000.00) upon Respondent.

**BASIS FOR PROPOSED ACTION**

The Division has conducted an investigation of Respondent, 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 revoke a loan officer license if the Division finds that the licensee has "violat[ed] or fail[ed] to comply with any provision of sections 1322.01 to 1322.12 of the Revised Code[.]"
- B. The Division is authorized by R.C. 1322.10(A)(2) to impose a fine upon Respondent for his violations of a law or rule.
- C. On or about May 20, 2002, the Division issued a loan officer license to Respondent to work for Novastar Home Mortgage, Inc. At some point, Respondent ceased to work for Novastar Home Mortgage, Inc, but Novastar failed to return Respondent's loan officer license to the Division, and, therefore, the Division does not know the exact date Respondent's employment was terminated.
- D. On or about August 16, 2004, the Division received a loan officer transfer application for Respondent requesting that her license be transferred from Novastar Home Mortgage,

Inc. to her new employer, Premier Mortgage Funding of Ohio, Inc. ("Premier"). The application listed the effective date of new employment as August 2, 2004. Respondent's new employer neither requested nor received written confirmation from the superintendent that Respondent could be employed on a temporary basis while the transfer of his loan officer license was pending.

- E. Documents provided to the Division by Premier revealed that on July 2, 2004, Respondent originated a loan subject to the Ohio Mortgage Broker Act ("OMBA") for borrower Paul David Corbett for property located at 6342 Manila Road, Goshen, Ohio 45122.

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

1. Respondent has violated R.C. 1322.031(E) because she originated at least one residential mortgage loan for Premier before her loan officer transfer application was submitted to the Division and without his employer requesting or receiving written confirmation from the superintendent that Respondent could be employed on a temporary basis while the transfer of her loan officer license was pending.
2. Respondent violated R.C. 1322.07(C), which prohibits a loan officer applicant from "[e]ngag[ing] in conduct that constitutes improper, fraudulent, or dishonest dealings."
3. 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).
4. Because Respondent has violated R.C. 1322.07(C) and fails to meet the character and fitness requirements for loan officer license issuance or renewal pursuant to R.C. 1322.041(A)(6) & (B)(3), Respondent's loan officer license should be revoked pursuant to R.C. 1322.10(A)(1)(a).
5. A fine in the amount of two thousand dollars (\$2,000.00) is reasonable, appropriate and necessary for his violations of R.C. 1322.031(E) and 1322.07(C).

#### **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 revoking Respondent's loan officer license and imposing a fine of two thousand dollars (\$2,000.00) upon Respondent.

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: Jacqueline Mallett, Consumer Finance Attorney, 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.

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 revoking Respondent's loan officer license and imposing a fine of two thousand dollars (\$2,000.00) upon Respondent.

Signed and sealed this 6th day of May 2008.

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**LEIGH A. WILLIS**

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