

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

In the matter of:	)	Case No. M2008-434
	)	
<b>JOSEPH A. KOVARIK</b>	)	<b>Notice of Intent to Deny Loan Officer License Renewal</b>
4281 Hamilton Richmond Road	)	<b>&amp;</b>
Oxford, Ohio 45056	)	<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. In accordance therewith, the Division is accountable for the licensing of individuals as residential mortgage loan officers.

**RESPONDENT**

**JOSEPH A. KOVARIK** ("Respondent") is an individual that held a loan officer license issued by the Division to originate residential mortgage loans pursuant to R.C. Chapter 1322. Respondent's loan officer license expired on April 30, 2008, and Respondent filed an application to renew his license; that renewal application remains pending. Respondent's employer of record is Van Dyk Mortgage Corporation, 2449 Camelot Court SE, Grand Rapids, MI 49546.

**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 renewal application for a loan officer license.

**BASIS FOR PROPOSED ACTION**

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

1. In or around 1958, in Hoke County, North Carolina, Respondent was convicted of Auto Larceny. As a result of the findings listed above, the Division has determined that the Respondent has been convicted of a theft offense as described in R.C. 1322.031(A)(2), and, therefore, the Division is not authorized to renew Respondent's loan officer license pursuant to R.C. 1322.041(A)(3) & (B)(3).
2. On or around September 8, 2005, Respondent attested in a sworn statement that information he provided about his criminal background on his loan officer license application submitted to the Division was complete and truthful when it was not.
3. On or around September 19, 2005, in an attempt to obtain a loan officer license, Respondent provided untruthful information about his criminal background to the Division.

4. On or around March 28, 2007, Respondent attested in a sworn statement that information he provided about his criminal background on his loan officer license renewal application submitted to the Division was complete and truthful when it was not.

5. On or around March 29, 2007, in an attempt to obtain a loan officer license, Respondent provided untruthful information about his criminal background to the Division.

6. On or around March 26, 2008, Respondent attested in a sworn statement that information he provided about his criminal background on his loan officer license application submitted to the Division was complete and truthful when it was not.

7. On or around March 26, 2008, in an attempt to obtain a loan officer license, Respondent provided untruthful information about his criminal background to the Division.

8. Respondent's actions, as listed above in Paragraphs 2 through 7, show 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).

9. Respondent's actions listed in Paragraphs 2 through 7 violated R.C. 1322.07(A), which prohibits a loan officer applicant from "mak[ing] any substantial misrepresentation in any registration or license application[.]"

10. Respondent's actions listed in Paragraphs 2 through 7 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[.]"

11. Respondent's actions listed in Paragraphs 2 through 7 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."

#### **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's loan officer license renewal application.

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: Martha S. Rhea - 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.

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 10<sup>th</sup> day of July, 2008.

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**JOHN B. REARDON**  
Superintendent of Financial Institutions  
Division of Financial Institutions  
Ohio Department of Commerce