

**STATE OF OHIO
DEPARTMENT OF COMMERCE
DIVISION OF FINANCIAL INSTITUTIONS
77 South High Street, 21st Floor
Columbus, Ohio 43215-6120**

In the matter of:

**Empire Equity Group, Inc.
dba 1st Metropolitan Mortgage
25 Philips Parkway
Montvale, NJ 07645-1810**

)
) **Case No. 07-0030MBS**
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)
) **Notice of Intent to Assess Fine and Suspend**
) **Mortgage Broker Certificate of**
) **Registration & 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 enforcing the Ohio Mortgage Broker Act, codified in Ohio Revised Code ("R.C.") Chapter 1322 and the rules adopted thereunder.

RESPONDENT

Respondent, Empire Equity Group, Inc. dba 1st Metropolitan Mortgage ("Respondent") is a foreign corporation registered to conduct business in Ohio and holds an active mortgage broker certificate of registration issued by the Division pursuant to R.C. 1322. The business address of record for Respondent's main office is 25 Philips Parkway, Montvale, NJ 07645-1810. Respondent operates under the mortgage broker certificate of registration number MB 2998.

ALLEGATIONS

Pursuant to R.C. 1322.10(B), the Division conducted an investigation into the affairs of Respondent, and as a result thereof, alleges the following:

1. R.C. 1322.02(B) states: "No person, on the person's own behalf or on behalf of any other person, shall act as a loan officer without first having obtained a license from the superintendent."
2. R.C. 1322.01(E) defines "Loan Officer" as "an employee who originates mortgage loans in consideration of direct gain or indirect gain, profit, fees, or charges."

3. R.C. 1322.01(I) defines "Originate" to mean "to do any of the following: (1) Negotiate or arrange, or offer to negotiate or arrange, a mortgage loan between a person that makes or funds mortgage loans and a buyer; (2) Issue a commitment for a mortgage loan to a buyer; (3) Place, assist in placement, or find a mortgage loan for a buyer."
4. Respondent employed Bertha Clark from November 18, 2002 through September 9, 2005. During that entire period of employment, Bertha Clark was not licensed as a loan officer, yet she conducted the interviews to assist in the placement of mortgage loans, quoted rates in arranging a mortgage loan with a lender, and otherwise originated mortgages for the following twenty-two (22) Buyers, as that term is defined in R.C. 1322.01(A):

Borrower Name	Property Address	Settlement Date
Tyrone T. Cody	15901 Onaway Road, Shaker Heights, OH 44120	2/10/2003
Gregory A. Evans	21111 Raymond Street, Maple Heights, OH 44137	2/27/2003
Cytonia Williams	9511 Anderson Avenue, Cleveland, OH 44105	4/16/2003
Darla Character-Johnson	12305 Hirst Avenue, Cleveland, OH 44135	5/23/2003
Carolyn Sharp	3808 East 154th Street, Cleveland, OH 44128	6/4/2003
Sondra Gentry	4750 East 175th Street, Cleveland, OH 44128	7/28/2003
Phyllis Allen-McField	11712 Robertson Avenue, Cleveland, OH 44105	7/30/2003
Irene Bibb	20113 Scottsdale Blvd., Shaker Hts., OH 44122	10/10/2003
John and Barbara Tutt	10805 Gooding Avenue, Cleveland, OH 44108	11/4/2003
Alroy Gibson, Sr.	3541 East 116th Street, Cleveland, OH 44105	12/4/2003
Jewell L. Jackson	2767 East 124th Street, Cleveland, OH 44120	12/17/2003
Janet Cotton	3840 East 142nd Street, Cleveland, OH 44128	12/23/2003
Ernestine Bryant	5813 Quimby Avenue, Cleveland, OH 44103	3/18/2004
Anthony Williams	10013 Nelson Avenue, Cleveland, OH 44105	4/9/2004
Shawanda Phillips and Adam Cody	4296 East 128th Street, Cleveland, OH 44105	4/23/2004
David W. Hovatter	7709 Lanyard Drive, Parma, OH 44129	5/6/2004
Lydia C. Evans	423-425 S. Ohio Avenue, Columbus, OH 43205	7/15/2004
James H. and Lynn M. Nolan	615 Cambridge Avenue, Elyria, OH 44035	12/30/2004
Robert Baker	9129 Wilverne Drive, Windham, OH 44288	2/3/2005
Patricia A. Ankrom (1st)	8607 Scenicview Drive, #203, Broadview Hts., OH 44147	5/25/2005
Patricia A. Ankrom (2nd)	8607 Scenicview Drive, #203, Broadview Hts., OH 44147	5/25/2005
Roy Williams	16295 Oakhill Road, Cleveland, OH 44112	6/14/2005
Jerry and Denise Gibson	12004 Oak Park Blvd., Garfield Hts., OH 44125	9/8/2005

5. By originating said loans without first obtaining a loan officer license Respondent's employee acted in violation of R.C. 1322.02(B).
6. R.C. 1322.07(B) prohibits registrants from making false or misleading statements of a material fact, omissions of statements required by state law, or

false promises regarding a material fact, through advertising or other means, or engage in a continued course of misrepresentations.

7. Further, R.C. 1322.07(C) prohibits registrants from engaging in conduct that constitutes improper, fraudulent, or dishonest dealings.
8. Respondent, by employing an unlicensed individual and allowing that individual to act as a loan officer, has made false and misleading statements of material fact, and/or omissions of statements required by state law in violation of R.C. 1322.07(B). Further, by making such false and misleading statements, and/or omissions of statements required by state law, to at least twenty-two Buyers, and on the mortgage loan origination disclosure statements accompanying those transactions pursuant to R.C. 1322.062, Respondent has engaged in a continued course of misrepresentations in violation of R.C. 1322.07(B). Such conduct also constitutes improper and dishonest dealings in violation of R.C. 1322.07(C) as these acts gave the impression to consumers that Bertha Clark was a licensed loan officer when, in fact, she was not.

FINDINGS

Based upon the allegations above, the Division determines that Respondent violated R.C. 1322.07(B) and 1322.07(C) of the Ohio Mortgage Broker Act by allowing its employee, Bertha Clark, to act as a loan officer for Empire Equity Group, Inc. dba 1st Metropolitan Mortgage and misrepresenting her ability to perform duties which require a loan officer license without first obtaining such license.

PROPOSED ACTION

Based upon the allegations and findings above, the Division intends to SUSPEND Respondent's Mortgage Broker Certificate of Registration, MB 2998, for Empire Equity Group, Inc. dba 1st Metropolitan Mortgage for a period of SIX (6) months, and to LEVY A FINE in the amount of \$86,000 for the violations of R.C. 1322.07(B) 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 SUSPENDING the mortgage broker certificate of registration MB 2998 for Empire Equity Group, Inc. dba 1st Metropolitan Mortgage for a period of SIX (6) months effective upon the issuance of this order, and to impose a FINE of \$86,000 for violations of R.C. 1322.07(B) and R.C. 1322.07(C).

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 to:

**State of Ohio
Department of Commerce
Division of Financial Institutions
Attn: Attorney Timothy C. Winslow
77 South High Street, 21st Floor
Columbus, Ohio 43215-6120**

At the hearing, Respondent may appear by 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 SUSPENDING the mortgage broker certificate of registration MB 2998 for Empire Equity Group, Inc. dba 1st Metropolitan Mortgage for a period of SIX (6) months and assessing a FINE of \$86,000 for violations of R.C. 1322.07(B) and R.C. 1322.07(C).

Signed and Sealed this 7th day of February, 2007.

Richard F. Keck
Acting Deputy Superintendent of Financial
Institutions