

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

In the matter of:	)	Case No. M2008-653
	)	
<b>LEXINGTON LENDING &amp; MORTGAGE</b>	)	<b>Notice of Intent to Deny Mortgage Broker</b>
<b>GROUP, INC.</b>	)	<b>Renewal Application</b>
124 Lafayette Road, Suite 04	)	&
Medina, Ohio 44256	)	<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. In accordance therewith, the Division is accountable for the registration of mortgage brokers.

**RESPONDENT**

**LEXINGTON LENDING & MORTGAGE GROUP, INC.** ("Respondent") is a company that held a certificate of registration in 2007 allowing it to engage in business as a mortgage broker pursuant to R.C. Chapter 1322. Respondent's mortgage broker certificate of registration expired on April 30, 2008, and Respondent filed an application to renew its certificate of registration. The renewal application remains pending. Respondent's business address of record is 124 Lafayette Road, Suite 04, Medina, Ohio 44256.

**NOTICE OF PROPOSED ACTION**

In accordance with sections 1322.04 and 1322.10 of the R.C., and R.C. Chapter 119, the Division intends to DENY Respondent's 2008 renewal application for a mortgage broker certificate of registration.

**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)(1)(a) to refuse to renew an applicant's mortgage broker certificate of registration if the Division finds that the 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 under a certificate of registration[.]"
- B. The Division is authorized by R.C. 1322.04(B) to renew a certificate of registration if the applicant's character and general fitness commands public confidence and warrants the belief that business will be operated honestly and fairly.

- 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 1301:8-7-04(G) to deny a registration renewal application if the applicant submits "false or incomplete information or omit[s] information in connection with a license application [.]"
- E. In or around 2004, Respondent submitted an application for a certificate of registration in order to transact business under R.C. 1322.01 to 1322.12. The application indicated that Mary E. Bradley owned one hundred percent (100%) of Respondent, was its president and operations manager.
- F. In or around 2004, certificate of registration MB.803177 was issued to Respondent.
- G. In or around 2008, Respondent submitted a mortgage broker annual renewal application. The registration renewal application submitted by Respondent in 2008 was signed by its owner and operations manager Mary E. Bradley.
- H. The 2008 Mortgage Broker Annual Renewal Application ("2008 registration 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." Question Number 4 of the 2008 Renewal asked "Does the registrant or any owner, partner, 5% or more shareholder, member, officer, director, or operations manager have any unpaid civil judgments against him/her? 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."
- I. Respondent answered "No" to Question Number 4 of the 2008 Registration Renewal.
- J. On or about April 13, 2007, the Garfield Heights Municipal Court filed a Judgment Entry against Respondent imposing a monetary civil judgment for the Plaintiff in Case No. CVG 0700204, *Rockside 77 Properties v. Lexington Lending & Mortgage Group, Inc.*
- K. On or about June 5, 2007, the Medina Municipal Court filed a Judgment Entry against Mary E. Bradley, Respondent's owner and operations manager, imposing a monetary civil judgment for the Plaintiff in Case No. 07CVI00961, *Ohio Residential Cleaning LLC v. Mary Bradley.*
- L. On or about December 13, 2007, Mary E. Bradley, through an attorney, electronically filed a Chapter 7 Voluntary Petition in the United States Bankruptcy Court for the Northern District of Ohio which was designated Case No. 07-53982 ("Bradley Bankruptcy Petition"). The Bradley Bankruptcy Petition's Declaration Concerning Debtor's Schedules contained the electronic signature of Mary E. Bradley.
- M. Rockside 77 Properties case was listed on Page 8 of 10 of Schedule F – Creditors Holding Unsecured Non-priority Claims of the Bradley Bankruptcy Petition.
- N. Section 4, Suits and administrative proceedings, executions, garnishments and attachments on page 2 of the Statement of Financial Affairs of the Bradley Bankruptcy Petition lists the Rockside 77 Properties and Ohio Residential Cleaning LLC lawsuits, identifies these lawsuits as collections and affirms "judgment" as the status or deposition of the lawsuits.

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

1. Respondent had civil judgments entered against it and its owner by courts of competent jurisdiction.
2. Respondent failed to disclose the civil judgments entered against it and its owner to the Division as required by Chapter 1322.
3. Because the Bradley Bankruptcy Petition lists the civil judgments and seeks to satisfy these judgments through a bankruptcy discharge, the civil judgments are unpaid.
4. Because Respondent failed to disclose unpaid civil judgments entered against it and its owner on its 2008 registration renewal application, 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. 1322.04(B) and Ohio Admin. Code 1301:8-7-21(H).
5. Because Respondent failed to disclose civil judgments entered against it and its owner on the 2008 registration renewal application, Respondent violated R.C. 1322.07(A), which prohibits a mortgage broker applicant from "mak[ing] any substantial misrepresentation in any registration or license application[.]"
6. Because Respondent failed to disclose civil judgments entered against it and its owner on the 2008 registration renewal application, Respondent violated R.C. 1322.07(B), which prohibits a mortgage broker 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 it and its owner on the 2008 registration renewal application, Respondent violated R.C. 1322.07(C), which prohibits a mortgage broker 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 the 2008 registration renewal application, the Division may deny Respondent's 2008 registration renewal application pursuant to Ohio Admin. Code 1301: 8-7-04(G).
9. Because Respondent violated R.C. 1322.07(A), (B) and (C) and Ohio Admin. Code 1301: 8-7-04(G), the Division is authorized under R.C. 1322.10(A)(1)(a) and to deny issuance of a renewal registration to Respondent.

#### **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 renewal application 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 denying Respondent's renewal application.

Signed and sealed this 10<sup>th</sup> day of October, 2008.

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**LEIGH A. WILLIS**

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