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

In the matter of:

PICKWELL INVESTMENTS, LTD.
6430 E. Main Street
Reynoldsburg, OH 43068

) Case No. 07-0616MBS

) **DIVISION ORDER**

) **Confirmation of Suspension of Mortgage**

) **Broker Certificate of Registration**

) **& Notice of Appellate Rights**

Respondent, Pickwell Investments, Ltd. ("Respondent") was licensed under R.C. 1322 as a mortgage broker (MB 802923) with the Division of Financial Institutions ("Division"). On August 21, 2007 the Division of Financial Institutions received notice of the proposed cancellation of the bond issued by the Hartford Fire Insurance Co., (bond no. 14BSBDI1125) to cover Respondent's mortgage broker business as required by R.C. 1322.05. This cancellation notice was provided to the Division in accordance with law thirty days prior to its effective date of September 23, 2007. As set forth in the bonding company's notice, Respondent's bond was cancelled on September 23, 2007. On October 1, 2007 the Division, pursuant to R.C. 1322.10(F)(1)(b), notified Respondent that it had issued an order suspending its mortgage broker certificate of registration. This automatic suspension was authorized by R.C. 1322.10(F)(1)(b) because of Respondent's violation of R.C. 1322.05(A) and (F) of the Ohio Mortgage Broker Act which require that registrants maintain in effect at all times the required corporate surety bond issued by a bonding company or insurance company authorized to do business in this state.

Respondent was duly served with the Division's Order of Temporary Suspension on October 2, 2007 and an expedited administrative hearing regarding the automatic suspension was held on November 13, 2007 in the manner set forth in chapter 119 of the Revised Code and O.A.C. 1301:8-7-27. A Report and Recommendation ("Report") was filed with the Division on December 6, 2007, recommending revocation of the Respondent's mortgage broker certificate of registration.

In accordance with R.C. 119.09, the Division has considered the record, consisting of the Report, the transcript of testimony and exhibits, as well as all applicable laws. As a result, the Division adopts the findings and conclusions of the Hearing Examiner's Report (attached hereto), with the additional ruling implied therein that the suspension be confirmed and remain in place pending an action by the Division to revoke the Respondent's mortgage broker certificate of registration.

Pursuant to R.C. 1322.10(A)(1)(a), the Superintendent of Financial Institutions may revoke a certificate of registration if the superintendent finds a violation of or failure 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.

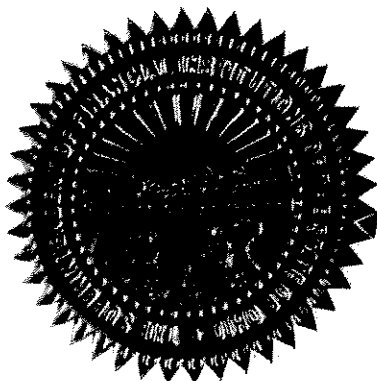
For the reasons stated above, the DIVISION HEREBY CONFIRMS THE SUSPENSION OF THE MORTGAGE BROKER CERTIFICATE OF REGISTRATION OF PICKWELL INVESTMENTS, LTD. Such suspension shall remain in place pending any action by the Division to revoke said Registrant's certificate of registration as provided by O.A.C. 1301:8-7-27

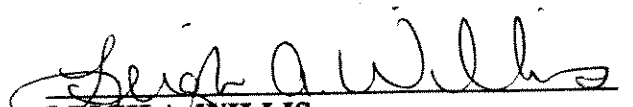
IT IS SO ORDERED.

NOTICE OF APPELLATE RIGHTS

Respondent is hereby notified that pursuant to R.C. 119.12, this Order may be appealed by filing a notice of appeal with the Ohio Division of Financial Institutions setting forth the order appealed from and the grounds for the appeal. A copy of such notice of appeal must, pursuant to R.C. 119.12, must also be filed with the court of common pleas of the county in which the place of business of the Respondent is located, or the county in which the Respondent is a resident. A notice of appeal must be filed within fifteen (15) days after the date of mailing of this Order.

Signed and sealed this 24th day of Dec. 2007




LEIGH A. WILLIS
Deputy Superintendent for Consumer Finance
Division of Financial Institutions
Ohio Department of Commerce

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STATE OF OHIO
DEPARTMENT OF COMMERCE
DIVISION OF FINANCIAL INSTITUTIONS

IN RE: :
: CASE NO. 07-616MBS
PICKWELL INVESTMENTS, LTD. :
: DANIEL M. MASSEY
: ADMINISTRATIVE HEARING OFFICER

REPORT AND RECOMMENDATION
ISSUED DECEMBER 6, 2007

I. FINDINGS OF FACT

A. Introduction.

1. This matter came before Daniel M. Massey, an attorney licensed to practice law in Ohio, and duly appointed by the Ohio Division of Financial Institutions ("Division") to serve as an Administrative Hearing Officer for this hearing in accordance with the Ohio Administrative Procedure Act, Ohio Revised Code ("R.C.") Chapter 119. The hearing was October 16, 2007, at 77 South High Street, Columbus, Ohio. The hearing was conducted to consider the allegations in the Division's Order of Temporary Suspension and Notice of Expedited Hearing ("NOH") against at Pickwell Investments, Ltd. ("Respondent").

2. The Division alleges that Respondent violated the Ohio Mortgage Broker Act, Ohio revised Code Chapter 1322, by failing to maintain a valid surety bond to conduct business as a mortgage broker in accordance with R.C. § 1322.05. In addition, the Division alleged that Pickwell Investments, Ltd. had not surrendered its mortgage broker certificate to the Division.

3. Matthew J. Lampke, an Assistant Attorney General with the Executive Agencies Section of the Ohio Attorney General's Office, represented the Division at the hearing. Respondent did not appear and was not represented by counsel. At the hearing, Division's Exhibits 1 through 5 were admitted into the record.

B. Jurisdiction and Procedural Matters.

4. On August 21, 2007, the Division received a Notice of Cancellation/Non-Renewal of the corporate surety bond issued by the Hartford Fire Insurance Company, bond no. 14SBDI1125, to Pickwell Investments, Ltd. The cancellation notice indicated that Respondent was not paying the premiums on the bond. The cancellation notice further stated that the bond would expire on September 23, 2007. (Division's Exhibit 1.)

5. On the same date, the Division sent Respondent a letter regarding the cancellation of the bond and requested evidence that Respondent had complied with the statutory requirement within 15 days. (Division's Exhibit 1.)

6. On October 1, 2007, the Division issued an Order of Temporary Suspension and Notice of Expedited Hearing. The Order was accompanied by a letter that stated that suspension was in effect on October 1, 2007, for failure to maintain the required bond. (Division's Exhibit 2.)

7. In addition, the Notice indicated that a hearing was scheduled for October 23, 2007, at 9:00 am at the offices of the Division. (Division's Exhibit 2.)

8. The letter and notice were sent via certified mail. (Division's Exhibit 2.)

9. On October 2, 2007, Norma Stillwell signed the receipt for the certified mail. (Division's Exhibit 4.)

10. On October 23, 2007, the Division sent another letter to the Respondent indicating that the October 23, 2007 hearing at the Division's offices had been rescheduled until November 13, 2007, at the same location. The letter was sent via certified mail. (Division's Exhibit 5.)

11. It is unclear if the Respondent was informed of this rescheduling prior to the October 23, 2007. It is also unclear whether Respondent ever received and signed for the October 23, 2007 certified mail. The record does not include any evidence indicating that the letter, was not delivered to the Respondent.

12. The hearing commenced at the date, time, and location indicated in the October 23, 2007 letter.

C. Respondent's Mortgage Broker Certificate of Registration.

13. Respondent is an Ohio mortgage broker, who was doing business in Ohio. Respondent held an Ohio Mortgage Broker certificate of registration. (Hearing Transcript ("Tr.") at 9-10.)

14. On August 21, 2007, the Division received a Notice of Cancellation/Non-Renewal from Hartford Fire Insurance Company indicating that Respondent's surety bond was scheduled to expire on September 23, 2007, due to non-payment. (Division's Exhibit 1.)

15. On that same date, the Division sent Respondent a letter stating that it received the Notice of Cancellation/Non-Renewal from Hartford Fire Insurance Company. The letter requested that Respondent provide the Division with evidence that Respondent had a corporate surety bond with 15 days. The letter was sent to the most recent address provided by Respondent. The record does not include any evidence indicating that the letter, which was sent by regular mail, was not delivered to the Respondent. (Division's Exhibit 1.)

16. Respondent did not provide the Division with any evidence that it had a corporate surety bond in effect after September 23, 2007. (Division's Exhibits 1 and 2.)

II. CONCLUSIONS OF LAW

A. Jurisdiction and Procedural Matters.

17. The Division procedurally complied with R.C. Chapter 119 and established jurisdiction over the matter.

B. Respondent's Mortgage Broker Certificate of Registration.

18. The Division is the state agency responsible for the licensing and regulation of mortgage brokers and loan officers under the Ohio Mortgage Broker Act, R.C. Chapter 1322.

19. Section 1322.05(A), entitled "Corporate Surety Bond Required," states:

(A) No registrant shall conduct business in this state, unless the registrant has obtained and maintains in effect at all times a corporate surety bond issued by a bonding company or insurance company authorized to do business in this state. The bond shall be in favor of the superintendent of financial institutions and in the penal sum of at least fifty thousand dollars and an additional penal sum of ten thousand dollars for each location, in excess of one, at which the registrant conducts business.

§ 1322.05(A).

20. Moreover, § 1322.05(F) states:

No registrant shall fail to comply with this section. Any registrant that fails to comply with this section shall cease all mortgage broker activity in this state until the registrant complies with this section.

§ 1322.05(F).

21. Respondent is a "registrant" as that term is defined in § 1322.01(J).

22. October 21, 2007, Hartford Fire Insurance Company informed the Division that the corporate surety bond for Respondent was scheduled to expire on September 23, 2007, because of non-payment by Respondent.

23. Respondent did not provide the Division with any evidence that it had renewed its corporate surety bond with Hartford Fire Insurance Company within the required 15 days.

24. Respondent has not provided any evidence that it acquired a new corporate surety bond since the lapse on September 23, 2007.

25. Accordingly, Respondent is a licensed mortgage broker that no longer holds a valid corporate surety bond required to conduct business as a mortgage broker in Ohio. In

addition, Respondent failed to surrender its mortgage broker certificate of registration to the Division. Therefore, the Respondent has violated §§ 1322.05(A) and (F).

26. Finally, § 1322.10(F)(1) states:

To protect the public interest, the superintendent may, without a prior hearing, do any of the following:

(b) Suspend the certificate of registration of a registrant who violates division (F) of section 1322.05 of the Revised Code;

§ 1322.10(F)(1)(b). Accordingly, the Division was entitled to automatically suspend the certificate of registration for Respondent.

III. RECOMMENDATION

27. I respectfully recommend that the Division revoke Respondent's mortgage broker certificate of registration pursuant to Ohio Revised Code § 1322.10(A)(1)(a) due to Respondent's lack of compliance with the corporate surety bond requirements set forth in § 1322.05.

Respectfully submitted,



Daniel M. Massey, Esq.
Administrative Hearing Officer