

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

In the matter of:)	Case No. M2006-9993356
)	
AMERICAN MORTGAGE)	Notice of Intent to Deny Mortgage Broker Renewal
COMPANY 1, LLC.)	&
500 East Wilson Bridge Road, Suite 120)	Notice of Opportunity for a Hearing
Worthington, Ohio 43085)	
)	

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

AMERICAN MORTGAGE COMPANY 1, LLC. ("Respondent") holds a mortgage broker certificate of registration issued by the Division. Its business address of record is 500 East Wilson Bridge Road, Suite 120, Worthington, Ohio 43085.

NOTICE OF PROPOSED ACTION

In accordance with R.C. 1322.10(A)(1)(a), and pursuant to R.C. Chapter 119, the Division intends to DENY Respondent's application for renewal of its mortgage broker certificate of registration.

BASIS FOR PROPOSED ACTION

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

- A. In accordance with R.C. 1322.10(A)(1)(a), the superintendent of the Division may revoke a mortgage broker 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 Revised Code or the rules adopted under those sections or any other law applicable to the business conducted under a certificate of registration."
- B. Ohio Revised Code Section 1322.03(A)(3) requires limited liability companies such as Respondent to designate a person who will act as the registrant's operations manager.
- C. Ohio Revised Code Section 1322.04(D) requires limited liability companies such as Respondent to notify the Division within ten (10) days after designating a person who will act as the registrant's operations manager.
- D. Ohio Revised Code Section 1322.05(A) requires every registered mortgage broker conducting business in the State of Ohio to maintain "in effect at all times a corporate surety bond issued by a bonding company or insurance company authorized to do business in this state." See, R.C. 1322.05(A).
- E. On or about April 19, 2006, in conjunction with Respondent's 2006 renewal application,

- Respondent submitted a "Mortgage Broker Change of Operations Manager" form, designating Kenneth L. Bussell to act as Respondent's new operations manager.
- F. On or about April 20, 2006, the Division notified Respondent that final approval of Mr. Bussell would "not occur until he has passed the required Operations Manager exam."
 - G. On or about April 28, 2006, the Division approved Mr. Bussell to sit for the Operations Manager exam, however, Mr. Bussell failed to pass the examination within a reasonable amount of time following his approval.
 - H. As of the date of this Notice, the Respondent has not designated a new operations manager as required by R.C. Section 1322.04(D), or taken any other official action to correct the deficiency.
 - I. On or about April 19, 2006, Respondent submitted a certificate of bond coverage in support of Respondent's 2006 renewal application, which stated that Respondent's mortgage broker bond issued by Great American Insurance Company would remain in force until April 30, 2007.
 - J. On or about November 2, 2006, the Division was notified by Great American Insurance Company that it was cancelling the mortgage broker bond previously issued to Respondent, effective immediately.
 - K. On or about November 6, 2006, the Division sent a letter to Respondent notifying it of the deficiency under R.C. Section 1322.05(A).
 - L. As of the date of this Notice, the Respondent has not provided the Division with evidence of a new bond, as required by R.C. Section 1322.05(A), or taken any other official action to correct the deficiency.

As a result of the findings listed above, the Division has determined that Respondent's renewal application should be DENIED pursuant to R.C. Section 1322.10(A)(1)(a).

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 permanently revoking Respondent's mortgage broker certificate of registration.

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: Jason K. Wright, Consumer Finance Associate Counsel, 77 South High Street, 21st 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 mortgage broker certificate of registration.

Signed and sealed this 31st day of January 2007.

RICHARD F. KECK

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