

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

In the matter of:)	Case No. M2007-684
)	
RED BRICK MORTGAGE, LLC)	Notice of Intent to Revoke Mortgage Broker
9101 Antares Avenue)	Certificate of Registration, Assess Fine
Columbus, Ohio 43240)	&
)	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 administering and enforcing the Ohio Mortgage Broker Act, codified in Ohio Revised Code ("R.C.") Chapter 1322, and the rules adopted thereunder.

RESPONDENT

RED BRICK MORTGAGE, LLC ("Respondent") holds a mortgage broker certificate of registration issued by the Division. Its business address of record is 9101 Antares Avenue, Columbus, Ohio 43240.

NOTICE OF PROPOSED ACTION

In accordance with R.C. 1322.10, and pursuant to R.C. Chapter 119, the Division intends to REVOKE Respondent's mortgage broker certificate of registration and ASSESS A FINE.

BASIS FOR PROPOSED ACTION

Pursuant to R.C. 1322.10(B), the Division conducted an investigation of Respondent, and as a result thereof, found 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 that a mortgage broker has committed a "violation of or failure to comply with any provision of sections 1322.01 to 1322.12 of the Revised Code[.]"
- B. In February 2007, Respondent entered into a "management agreement" with Artisan Mortgage, LLC for the "management" of Respondent's mortgage broker business. The terms of that agreement show that Respondent had franchised, transferred, or assigned by contract its mortgage broker certificate of registration in violation of R.C. 1322.03(E) which states that "[a] certificate of registration and the authority granted under that certificate is not transferable or assignable and cannot be franchised by contract or any other means."

- C. In February 2007, Respondent entered into a “management agreement” with Artisan Mortgage, LLC for the “management” of Respondent’s mortgage broker business. The terms of that agreement caused Artisan Mortgage, LLC to violate R.C. 1322.02(A)(1) which prohibits persons from “act[ing] as a mortgage broker without first having obtained a certificate of registration.” Due to Respondent’s participation in the “management agreement”, Respondent aided and abetted Artisan Mortgage, LLC’s unregistered mortgage broker activity. See O.A.C. 1301:8-7-21(F).

As a result of the above findings, the Division finds:

1. 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(A)(10).
2. Respondent violated R.C. 1322.07(C), which prohibits a mortgage broker from “[e]ngag[ing] in conduct that constitutes improper, fraudulent, or dishonest dealings.”
3. Because of Respondent’s violations of the Ohio Mortgage Broker Act listed above, Respondent’s mortgage broker certificate of registration should be revoked pursuant to R.C. 1322.10(A)(1)(a).
4. In addition to the revocation of Respondent’s mortgage broker certificate of registration, the Division intends to assess a fine of \$32,000 for Respondent’s above-cited violations of the Ohio Mortgage Broker Act in accordance with R.C. 1322.10(A)(2).

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 revoking Respondent’s mortgage broker certificate of registration and assessment of fine.

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: Mark L. Rhea, Consumer Finance Licensing Attorney, 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. Note: a limited liability company must be represented by a person who is legally authorized to appear 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 revoking Respondent's mortgage broker certificate of registration and assess a fine in the amount of \$32,000.

Signed and sealed this 16th day of November 2007.

LEIGH A. WILLIS

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