

**COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2010-AH-009**

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

v.

FINAL ORDER

ROBERT TODD EHRIE

RESPONDENT

* * * * *

This matter is before the Commissioner of the Department of Financial Institutions (“DFI”), pursuant to KRS 286.8-044. The Commissioner hereby enters this **Final Order** directing Robert Todd Ehrie (“Respondent”) to pay a **Fine** in the amount of \$1,000 and to **Cease and Desist** from transacting business in Kentucky as an unregistered mortgage loan originator, pursuant to KRS Chapter 286.8.

FINDINGS OF FACT

1. DFI is responsible for regulating and licensing mortgage loan originators in accordance with the provisions of KRS Chapter 286.8. No person shall transact business in Kentucky as a mortgage loan originator, unless that person is registered with DFI and complies with all the applicable requirements of KRS Chapter 286.8. *See* KRS 286.8-255(1); *See Also* KRS 286.8-030(1)(c).

2. As the result of an investigation, it was discovered that the Respondent acted as an unregistered mortgage loan originator for Midwest Funding Group, LLC.

3. By letter dated January 8, 2010, DFI notified the Respondent of the alleged violation of KRS 286.8-030 and KRS 286.8-255. The letter was sent certified mail, return

receipt requested to the Respondent's last known address, 7755 Orange Station Loop, Lewis Center, OH 43035. The letter was signed for on January 14, 2010. Mr. Ehrie did not respond to the January 8, 2010 letter.

4. Based on the evidence, DFI asserts the following violations of KRS Chapter 286.8:

<u>Violation Date</u>	<u>Statute Violated</u>	<u>Description</u>
10/30/09	Unregistered loan originator KRS 286.8-030(1)(c) and KRS 286.8-255(1)	Mr. Ehrie acted as a loan originator for Midwest Funding Group, LLC on a loan that closed 10/30/09.

5. On February 26, 2010 DFI filed an Administrative Complaint seeking imposition of a \$1,000 fine against Respondent and that Respondent be ordered to cease and desist from transacting business in Kentucky as an unregistered mortgage loan originator.

6. The Administrative Complaint was sent via certified mail, return receipt to the Respondent at 7755 Orange Station Loop, Lewis Center, OH 43035. This is the Respondent's last known address. The Administrative Complaint was returned to DFI as unclaimed on May 26, 2010.

7. More than twenty (20) days has passed and the Respondent has failed to respond to the Complaint or request a hearing in this matter.

STATUTORY AUTHORITY

8. A "mortgage loan originator" is someone who for compensation or gain or the expectation of compensation or gain:

(a) Performs any one (1) or more of the following acts in the mortgage lending process:

1. Solicits, places, negotiates, or offers to make a mortgage loan;
2. Obtains personal and financial information from a borrower or prospective borrower;
3. Assists a borrower or prospective borrower with the preparation of a mortgage loan or related documents;
4. Explains, recommends, discusses, negotiates, or quotes rates, terms, and conditions of a mortgage loan with a borrower or prospective borrower, whether or not the borrower or prospective borrower makes or completes an application;
5. Explains any term or aspect of any disclosure or agreement given at or after the time a mortgage loan application is received; or
6. Takes a residential mortgage loan application; or

(b) Is an independent contractor engaging in the mortgage lending process as a mortgage loan processor;

See KRS 286.8-010(22).

9. KRS 286.8-030(1)(c) states, "It is unlawful for any natural person to transact business in Kentucky, either directly or indirectly, as a mortgage loan originator or mortgage loan processor, unless otherwise exempted, if the mortgage loan originator or mortgage loan processor is not registered in accordance with KRS 286.8-255."

10. Pursuant to KRS 286.8-255(1), "No natural person shall transact business in Kentucky, either directly or indirectly, as a mortgage loan originator or mortgage loan processor unless such mortgage loan originator or mortgage loan processor is registered with the office and has been issued a current certificate of registration by the office, complies with all applicable requirements of this subtitle, and maintains a valid unique identifier issued by the Nationwide Mortgage Licensing System and Registry."

11. Pursuant to KRS 286.090(1)(a) and (c), the Commissioner may suspend, revoke, place on probation, or issue a cease and desist order if the commissioner finds that a person has

failed to comply with the requirements of KRS Chapter 286.8 or the person does not conduct his business in accordance with the law.

12. In addition, KRS 286.8-190(2) states the commissioner may issue a cease and desist order if it is determined that a person has violated KRS Chapter 286.8.

13. KRS 286.8-046(1) gives the commissioner the ability to levy a civil penalty against any person who violates provisions of KRS Chapter 286.8. The civil penalty shall not be less than one thousand dollars (\$1,000) nor more than twenty five thousand dollars (\$25,000) per violation.

14. KRS 286.8-044(2) states in pertinent part, "The executive director (now the Commissioner) shall serve the administrative complaint by certified mail or personal delivery to the last known address of the person named in the complaint. The person named in the administrative complaint shall be entitled to a hearing, but only upon timely receipt of a written answer and request for a hearing within twenty (20) days of the service or hand delivery of the administrative complaint." *Emphasis added.*

15. KRS 286.8-044(3) explains that service by certified mail is complete upon the earlier of the following:

- (a) The date on which the person receives the mail;
- (b) The date on which the agency receives the return receipt; or
- (c) The date on which the agency receives notice that the mail has been returned undelivered.

CONCLUSIONS OF LAW

16. The Respondent has violated KRS 286.8-030(1)(c) and KRS 286.8-255(1) by acting as an unregistered loan originator. Respondent is subject to a fine of one thousand dollars (\$1,000) and a cease and desist order for this violation.

17. The Respondent was properly served the Complaint pursuant to KRS 286.8-044(2) by serving the Respondent via certified mail at the last known address of the Respondent. Service by certified mail is complete pursuant to KRS 286.8-044(3).

18. Respondent failed to respond to the Administrative Complaint or request a hearing within twenty (20) days of service. Thus, the Respondent's right to a hearing is waived in this matter.

ORDER

THEREFORE, based upon the foregoing Findings of Fact, Statutory Authority, and Conclusions of Law, the Commissioner **HEREBY ORDERS** that:

1. Robert Todd Ehrie shall pay a civil penalty in the amount of one thousand dollars (\$1,000.00) for violation of KRS 286.8-030(1)(c) and KRS 286.8-255(1). The check shall be in the form of a certified check or money order made payable to "Kentucky State Treasurer" and mailed to the Department of Financial Institutions, Attn: Shaun T. Orme, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601; and

2. Robert Todd Ehrie shall **CEASE AND DESIST** from transacting business in Kentucky as an unregistered mortgage loan originator.

This is a **FINAL AND APPEALABLE ORDER**. This Final Order shall become effective upon completion of service as set forth in KRS 286.8-044.

NOTICE OF APPEAL RIGHTS

Pursuant to KRS 286.8-210, you are hereby notified that you have the right to appeal this Final Order of the Commissioner. If you chose to appeal, you must file a written Notice of

Appeal with the Franklin Circuit Court within sixty (60) days after entry of this Final Order. A copy of any Appeal Petition must also be served on the Commissioner.

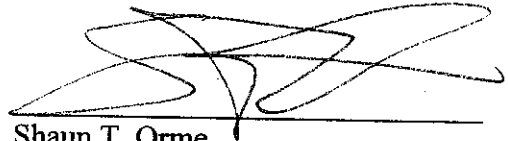
IT IS SO ORDERED on this the 7th day of July, 2010.

CA Vice
For Deputy Commissioner
CHARLES A. VICE
COMMISSIONER

Certificate of Service

I hereby certify that a copy of the foregoing **Final Order** was sent by certified mail to, return receipt requested, on this the 9th day of July, 2010 to:

Robert Todd Ehrie
7755 Orange Station Loop
Lewis Center, OH 43035



Shaun T. Orme
Assistant General Counsel
Department of Financial Institutions
1025 Capital Center Drive, Ste. 200
Frankfort, KY 40601
(502) 573-3390, ext. 282
(502) 573-2183 (fax)