

**STATE OF OHIO
DEPARTMENT OF COMMERCE
DIVISION OF FINANCIAL INSTITUTIONS
77 South High Street, 21st Floor
Columbus, Ohio 43215-6120**

RECEIVED
DIVISION OF FINANCIAL
INSTITUTIONS

2006 DEC 13 PM 12:14

In the matter of:

**Dennis J. Bayuk
3781 South Green Road
Beachwood, Ohio 44122**

)
) **Case No. 06-3332LOR**
)
)
) **SETTLEMENT AND**
) **CONSENT ORDER**
)
)
)

WHEREAS, the Ohio Department of Commerce, by and through the Superintendent of the Division of Financial Institutions ("Division"), is charged with the responsibility of enforcing the Ohio Mortgage Broker Act, codified in Ohio Revised Code ("R.C.") Chapter 1322; and

WHEREAS, Dennis J. Bayuk ("Respondent") holds an active loan officer license (LO# 01675) issued by the Division pursuant to R.C. 1322. Respondent is the designated Operations Manager of Ewallstreet.com Capital, Inc., dba Wall Street Capital, mortgage broker certificate of registration number MB 2184, and is also its President. The home address of record for Respondent is 3781 South Green Road, Beachwood, OH 44122; and

WHEREAS, on December 7, 2006, the Division sent via certified mail a Notice of Intent to Revoke Loan Officer License and Notice of Opportunity for a Hearing ("the Notice") to Dennis J. Bayuk ("Respondent") to his home address; and

WHEREAS, the Notice contained allegations that:

1. Respondent, on behalf of Ewallstreet.com Capital, Inc., completed and submitted the 2006 Mortgage Broker Renewal Application to the Division in April 2006. Dennis J. Bayuk, as president of Ewallstreet.com Capital, Inc., attested to the truthfulness and accuracy of the information in the application. The 2006 Mortgage Broker Renewal Application asks: "Within the past sixteen (16) months...[d]oes the registrant or any owner, partner, shareholder, member, officer, director, or operations manager have any unpaid civil judgments against him/her? If yes, a certified copy of the judgement entry and proof of payment history MUST be attached to this application or the application will not be processed."
2. Respondent, on behalf of Ewallstreet.com Capital, Inc., responded "No" to the above question on the renewal application. Respondent did not answer this question truthfully, and failed to disclose the following unpaid civil judgments:
 - a. Court: Shaker Heights Municipal Court
Debtor: Bayuk, Dennis J
Creditor: Great Seneca Financial Corp

Amount: \$ 5,836
Number: 05cvf00693
Type: Civil Judgment
Entered: 06/21/2005

b. Court: Shaker Heights Municipal Court
Debtor: Bayuk, Dennis J
Creditor: Palisades Collection LLC
Amount: \$ 4,110
Number: 05cvf00960
Type: Civil Judgment
Entered: 10/18/2005

c. Court: Shaker Heights Municipal Court
Debtor: Bayuk, Dennis
Creditor: Velocity Investments LLC
Amount: \$ 2,141
Number: 05cvf01464
Type: Civil Judgment
Entered: 10/28/2005

3. Respondent, on behalf of Ewallstreet.com Capital, Inc., completed and submitted the 2005 Mortgage Broker Renewal Application to the Division in April 2005. Dennis J. Bayuk, as president of Ewallstreet.com Capital, Inc., attested to the truthfulness and accuracy of the information in the application. The 2005 Mortgage Broker Renewal Application asks: "Within the past sixteen (16) months...[d]oes the registrant or any owner, partner, shareholder, member, officer, director, or operations manager have any unpaid civil judgments against him/her? If yes, a certified copy of the judgement entry and proof of payment history MUST be attached to this application or the application will not be processed."
4. Respondent responded "No" to the above question on the renewal application. Respondent did not answer this question truthfully, and failed to disclose the following unpaid civil judgment:
 - a. Court: Cleveland Municipal Court
Debtor: Bayuk, Dennis
Creditor: Live Pub Co.
Amount: \$ 1,250
Number: 04cvf20368
Type: Civil Judgment
Entered: 12/16/2004
5. Respondent, on behalf of Ewallstreet.com Capital, Inc., completed and submitted the 2003 Mortgage Broker Renewal Application to the Division in May 2003. Dennis J. Bayuk, president of Ewallstreet.com Capital, Inc., attested to the truthfulness and accuracy of the information in the application. The 2003 Mortgage Broker Renewal Application asks: "Within the past sixteen (16) months...[d]oes any registrant, owner, partner, shareholder, member, officer, director, or operations manager have any unpaid civil judgments against him/her?"

6. Respondent, on behalf of Ewallstreet.com Capital, Inc., responded “No” to the above question on the renewal application. Respondent did not answer this question truthfully, and failed to disclose the following unpaid civil judgment:

a. Court: Shaker Heights Municipal Court
Debtor: Bayuk, Dennis J.
Creditor: Sears Roebuck and Co.
Amount: \$ 7,457
Number: 02cvf00919
Type: Civil Judgment
Entered: 10/16/2002

7. The initial Application for a Mortgage Broker Certificate of Registration for Ewallstreet.com Capital, Inc. was completed and submitted to the Division in February 1999. Respondent as president of Ewallstreet.com Capital, Inc, attested to the truthfulness and accuracy of the information in the application which he signed and dated February 16, 1999. The Mortgage Broker Application asks: “Has applicant, or have any partners, members, or senior officers of applicant, ever been arrested for, charged with or convicted of any violation of any federal, state or local civil or criminal statute? DO NOT INCLUDE MINOR TRAFFIC VIOLATIONS. (If answer is yes, **attach a separate sheet marked “Schedule 17”**, giving complete details.)”
8. Respondent, on behalf of Ewallstreet.com Capital, Inc., responded “Yes” to the above question on the February 1999 renewal application. Respondent then proceeded to disclose the following in its attached Schedule 17:

“Dennis J. Bayuk was the President of la Belle Capital Corporation, a real estate syndicator and developer of ocean front condominium projects in Florida. On 1-3-83 the Ohio Limited Partnership (Le Brisant, Ltd.) of which La Belle Capital Corporation was the Managing General partner was sued by F. Rupp et al in district Court for the Northern District of Ohio, Eastern Division, alleging fraud and mismanagement of said partnership. During the first 11 months of the partnership, the Architect and Builder died who were General partners and the zoning changed, rendering all of the plans for development useless.

The managing General Partner decided to sell the property and placed it for sale with a commercial realtor. Afterwards, a third of the investors (who were friends of the architect) decided that they wanted a first mortgage on the property. When they were informed this was impossible and a violation of the general partner’s fiduciary responsibilities to the other limited partners, they filed suit as disclosed herein; to protect the remaining limited partners, the managing general partner proceeded to place the property in reorganization (chapter 11) and the property was liquidated.

During this interim the suit was found to have no merit and was settled *[sic]* for the claimant’s legal fees of \$15,000. The NASD *[National Association of Securities Dealers]* and the Ohio Division of Securities reviewed this suit. Both the Broker (Dennis J. Bayuk) and the Dealer (Beachwood Investments, Inc.) were permitted to continue as members in good standing.”

9. Respondent, on behalf of Ewallstreet.com Capital, Inc., failed to disclose that the National Association of Securities Dealers ("NASD") issued a monetary fine of \$1,000 and a censure in response to the above-mentioned lawsuit, Rupp, et al. v. Dennis J. Bayuk, et al., U.S. District Court, Northern District of Ohio, docket no. C83-4892.
10. According to R.C. 1322.07(A), no mortgage broker, registrant, licensee or applicant for a certificate of registration or license under sections 1322.01 to 1322.12 of the Revised Code shall obtain a certificate of registration or license through any false or fraudulent representation of a material fact or any omission of a material fact required by state law, or make any substantial misrepresentation in any registration or license application.
11. According to R.C. 1322.07(B), no mortgage broker, registrant, licensee or applicant for a certificate of registration or license under sections 1322.01 to 1322.12 of the Revised Code shall make false or misleading statements of a material fact, omissions of statements required by state law, or engage in a continued course of misrepresentations.
12. Respondent made false representations of material fact required by state law and substantial misrepresentations on its 2006, Mortgage Broker Renewal Application by responding "No" to question 3 on said application and failing to disclose that he has five (5) unpaid civil judgments filed against him in several Ohio municipal courts.
13. Respondent made false representations of material fact required by state law and substantial misrepresentations on its 2005, Mortgage Broker Renewal Application by responding "No" to question 3 on said application and failing to disclose that he had two (2) unpaid civil judgments filed against him in two different Ohio municipal courts.
14. Respondent made false representations of material fact required by state law and substantial misrepresentations on its 2003, Mortgage Broker Renewal Application by responding "No" to question 3 on said application and failing to disclose that he had an unpaid civil judgment filed against him in an Ohio municipal court.
15. Respondent made false representations of material fact required by state law and substantial misrepresentations on its initial 1999 Application for a Mortgage Broker Certificate of Registration by failing to truthfully disclose that he was censured and fined \$1,000 by the NASD as a result of his actions in the case of Rupp, et al. v. Dennis J. Bayuk, et al., U.S. District Court, Northern District of Ohio, docket no. C83-4892.
16. The above misrepresentations and false statements were known to Respondent, Dennis J. Bayuk, who wrongfully attested to the information provided on the applications.

WHEREAS, Dennis J. Bayuk without admitting or denying the allegations of the Division and to avoid the cost and uncertainty of litigation Respondent agrees to enter into this Consent Order for purposes of settlement.

NOW THEREFORE, in consideration of the foregoing and the mutual promises set forth herein, the parties agree to the following:

- 1) The parties acknowledge and agree to the accuracy of the foregoing recitals without admitting or denying the allegations contained therein.

- 2) This Settlement and Consent Order represents a compromise between the parties for the full, complete, and final settlement of all of their claims, differences, and causes of action with respect to the allegations contained in the Notice.
- 3) The parties agree that the terms of this Settlement and Consent Order bind the parties hereto, and successors in interest.
- 4) Respondent agrees from the date of this Order to never apply for a loan officer license or mortgage broker certificate of registration from the Division.
- 5) The Division hereby terminates the Notice of Intent to Revoke Loan Officer License and Notice of Opportunity of Hearing issued December 14, 2006, and agrees that it shall not, as long as Respondent is in compliance with this Settlement and Consent Order pursue the matters set forth in such Notice through its administrative process. Nothing, however, in this order shall be deemed to prevent the Division or its employees, agents, or assigns from participating in, as a witness or otherwise, any lawful action by another, or obeying any lawful court order, arising out of or related to the matters set forth in the Notice.
- 6) Respondent agrees that he shall surrender his loan officer license to the Division effective December 14, 2006 and shall not ever again conduct or request to conduct mortgage broker business or loan officer activities requiring licensing by the State of Ohio.
- 7) Respondent acknowledges lawful service and receipt of the Notice, and stipulates to the jurisdiction of the Division in this matter.
- 8) The Respondent hereby agrees to forego its administrative remedies, and waive any and all rights to an administrative hearing, any defect in service, as well as any right to appeal this matter or order.
- 9) This Settlement and Consent Order shall be effective on the date it is signed by the Superintendent of the Division of Financial Institutions or his designee and on such date it will become a final order.
- 10) This Settlement and Consent Order contains the entire agreement between the parties as to the matters set forth herein and no promises, conditions or obligations, either expressed or implied, other than those set forth herein, shall be binding on either party.

For purposes of effecting this Settlement and Consent Order, it is hereby ORDERED and DECREED that:

- A. The parties to this Settlement and Consent Order shall abide by the terms of this order as agreed.
- B. Respondent shall surrender his loan officer license to the Division effective December 7, 2006.

C. Respondent shall not conduct any business requiring a mortgage broker certificate of registration or loan officer license from the State of Ohio from the effective date of this order.

The Respondent understands that any breach of this Settlement and Consent Order may result in the reinstatement of administrative proceedings, including suspension or revocation, the imposition of additional fines and any other remedy available to the Division.



~~Robert M. Griener~~

~~Deputy Superintendent of Consumer Finance~~

Division of Financial Institutions

Dec-13-2006
Date

APPROVED AND AGREED:

Dennis J. Bayuk

By: 

12-12-06
Date

