

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

In the matter of:

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

)
) **Case No. 06-3332LOR**
)
)
) **Notice of Intent to Revoke**
) **Loan Officer License and 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 enforcing the Ohio Mortgage Broker Act, codified in Ohio Revised Code ("R.C.") Chapter 1322, and the rules adopted thereunder.

RESPONDENT

Respondent Dennis J. Bayuk ("Respondent") holds an active loan officer license (LO# 01675) issued by the Division pursuant to R.C. 1322. Respondent's employer of record is Ewallstreet.com Capital, Inc., dba Wall Street Capital whose main office operates under certificate of registration number MB 2184. Respondent is also the designated Operations Manager, President, and controlling shareholder of Ewallstreet.com Capital, Inc. The home address of record for Respondent is 3781 South Green Road, Beachwood, OH 44122.

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 REVOKE Respondent's loan officer license.

BASIS FOR PROPOSED ACTION

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

1. Respondent on behalf of Ewallstreet.com Capital, Inc. completed and submitted its 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 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 its 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 its 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 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 responded “Yes” to the above question on its 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 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.
17. The Superintendent of Financial Institutions can no longer find that the Respondent’s character and general fitness command the confidence of the public and warrant the belief that his business will be operated honestly and fairly and in compliance with the purposes of sections 1322.01 to 1322.12 of the Revised Code, a condition for licensure set forth in R.C. 1322.041(A)(5).

FINDINGS

Based upon the allegations above, the Division determines the following:

1. Respondent violated 1322.07(A) and (B) of the Ohio Mortgage Broker Act.
2. The Superintendent of Financial Institutions can no longer find that the Respondent’s character and general fitness command the confidence of the public and warrant the belief that his business will be operated honestly and fairly and in compliance with the purposes of sections 1322.01 to 1322.12 of the Revised Code, a condition for licensure set forth in R.C. 1322.041(A)(5).
3. Pursuant to R.C. 1322.10(A)(1)(a), the Superintendent of Financial Institutions may revoke a certificate of registration or license 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.

PROPOSED ACTION

Based upon the allegations and findings above, the Division intends to issue an ORDER REVOKING the loan officer license of Dennis J. Bayuk (LO# 01675).

NOTICE OF OPPORTUNITY FOR A HEARING ON PROPOSED ACTION

Therefore, pursuant to R.C. Chapters 1322 and 119, Respondent is hereby notified that thirty (30) days from the date of the mailing of this Notice, the Superintendent intends to issue an ORDER REVOKING the loan officer license of Dennis J. Bayuk (LO# 01675).

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 to:

**State of Ohio
Department of Commerce
Division of Financial Institutions
Attn: Attorney Timothy C. Winslow
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 the the loan officer license of Dennis J. Bayuk (LO# 01675).

Signed and Sealed this ____ day of _____, 2006.

Robert M. Grieser
Deputy Superintendent of Financial Institutions

cc: Timothy C. Winslow, In House Counsel—Division of Financial Institutions
Matt Lampke, Asst. Attorney General, Business & Government Regulation

