

Doug White
Director

In the matter of:)
)
 Ocean West Enterprises, Inc.) Case No. Case No. 06-0001MBD
 15991 Red Hill Ave.- Suite 110)
 Tustin, CA 92780) **DIVISION ORDER**
) **Denial of Mortgage Broker Renewal Application**
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1. The Division is authorized by R.C. 1322.10(A)(1)(a) to refuse to renew a mortgage broker certificate of registration if the Division finds that the registrant has violated "or fail[ed] 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[.]"
2. On or around April 27, 2005, Marshall Stewart, President, and Daryl Meddings, Executive Vice President of Ocean West Enterprises, Inc., attested in a sworn statement that information they provided about the occurrence of any change in ownership, control, or interest of the registrant was complete and truthful when it was not. Respondent proceeded on May 2, 2005 to provide such untruthful information to the Division.

3. Upon information and belief, pursuant to an SEC filing and a press release, Ocean West Enterprises, Inc. was acquired by Consumer Direct of America in July 2004. Respondent failed to notify the Division and complete the requisite forms to record and obtain approval of this change. Respondent also failed to disclose this ownership change in its 2005 Mortgage Broker Renewal Application.
4. Respondent's actions listed in Paragraph 2 violated R.C. 1322.07(A), which prohibits a registrant or applicant for a certificate of registration from "mak[ing] any substantial misrepresentation in any registration or license application[.]"
5. Respondent's actions listed in Paragraph 2 violated R.C. 1322.07(B), which prohibits a registrant or applicant for a certificate of registration from "[m]ak[ing] false or misleading statements of a material fact, [or] omissions of statements required by state law[.]"
6. Respondent's actions listed in Paragraph 2 violated R.C. 1322.07(C), which prohibits a registrant or applicant for a certificate of registration from "[e]ngage[ing] in conduct that constitutes improper, fraudulent, or dishonest dealings."
7. R.C. 1322.05(A) states: "[n]o registrant shall conduct business in this state, unless the registrant has obtained and maintains in effect at all times a corporate surety bond issued by a bonding company or insurance company authorized to do business in this state. The bond shall be in favor of the superintendent of financial institutions and in the penal sum of at least fifty thousand dollars and an additional penal sum of ten thousand dollars for each location, in excess of one, at which the registrant conducts business. The term of the bond shall coincide with the term of registration."
8. The Division received notice from Travelers Casualty and Surety Company of America that Respondent's bond, Bond No. 103685490, has been cancelled effective July 20, 2005. Respondent has failed to provide the Division a bond in effect for the period following the cancellation of Bond No. 103685490. Without an active bond, Respondent may not conduct business under the Ohio Mortgage Broker Act.

9. For a mortgage broker to have its license renewed, R.C. 1322.04(B)(3) requires every mortgage broker holding a certificate of registration to meet the condition outlined in R.C. 1322.04(A)(5). R.C. 1322.04(A)(5) provides that the applicant must comply "with the surety bond requirements of section 1322.05 of the Revised Code." Respondent failed to maintain or provide a valid surety bond for the requisite time period with its 2005 renewal application. Therefore, Respondent fails to meet the condition for renewal outlined in R.C. 1322.04.
10. For a mortgage broker to have its license renewed, R.C. 1322.04(B)(3) requires every mortgage broker holding a certificate of registration to meet the condition outlined in R.C. 1322.04(A)(9), that "the applicant's operations manager successfully completed the examination required under division (A) of section 1322.051 of the Revised Code."
11. For a mortgage broker to have its license renewed, R.C. 1322.04(B)(3) requires every mortgage broker holding a certificate of registration to meet the condition outlined in R.C. 1322.04(A)(3), that the Operations Manager meets the experience requirements provided in R.C. 1322.03(A)(4).
12. The Division received notice on June 23, 2005 that Marshall Stewart was no longer the Operations Manager of Ocean West Enterprises, Inc. Respondent has failed to designate another person as the Operations Manager of Ocean West Enterprises, Inc. Respondent has not had a designated Operations Manager since June 2005, prior to the approval or any other formal action by the Division on its renewal application. Since Respondent does not have a designated Operations Manager, Respondent cannot meet the conditions of its Operations Manager having three years experience or having successfully passed the requisite examination. Consequently, Respondent fails to meet the conditions of renewal according to R.C. 1322.04(A)(3), R.C. 1322.04(A)(9), and R.C. 1322.04(B)(3).
13. Because Respondent provided an attestation to the Division that information provided to the Division about any occurrence of any change in ownership, control, or interest of the registrant is complete and truthful when it was not, in violation of R.C. 1322.07(A), (B), and (C), the Division contends and finds 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 as required by R.C. 1322.04(A)(10) and R. C. 1322.04(B)(3).

14. For a mortgage broker to have its license renewed, R.C. 1322.04(B)(3) requires every mortgage broker holding a certificate of registration to meet the condition outlined in R.C. 1322.04(A)(6), that "the applicant complies with sections 1322.01 to 1322.12 of the Revised Code." Due to the violations of the Ohio Mortgage Broker Act as set forth above, Respondent fails to meet the condition in R.C. 1322.04(A)(6).
15. Because Respondent does not meet the conditions outlined in R.C. 1322.04(A)(3), (A)(5), (A)(6), (A)(9), and (A)(10), the Division has the authority to refuse to renew Respondent's certificate of registration according to R.C. 1322.04(B)(3).
16. Due to Respondent's violations of R.C. 1322.07(A), R.C. 1322.07(B), R.C. 1322.07(C), and R.C. 1322.05(A), the Division finds that the Ohio Mortgage Broker Act has not been complied with and according to R.C. 1322.10(A) the Division has the authority to refuse to renew Respondent's certificate of registration.

WHEREAS, Respondent has failed to respond and request a hearing in writing to the Division within thirty (30) days of the mailing of the above-referenced Notice of Opportunity for a Hearing in this matter as required by the notice provided pursuant to R.C. Chapter 119, and

WHEREAS, the Notice issued by the Division properly informed Respondent of the Division's intent to deny the renewal application for its certificate of registration as well as informed it of its opportunity for a hearing.

NOW THEREFORE, the Division adopts the facts set forth in the allegations as true, and finds and holds that the acts set forth therein establish that Respondent has violated R.C.1322.07(A), R.C. 1322.07(B), R.C. 1322.07(C), and R.C. 1322.05(A) and Respondent therefore fails to meet the conditions for renewal as set forth in R.C. 1322.04(B).

It is hereby ORDERED and DECREED that:

Respondent Ocean West Funding, Inc.'s 2005 Mortgage Broker Renewal Application be and hereby is denied.

NOTICE OF RIGHT TO APPEAL

Respondent is hereby notified that this order may be appealed, pursuant to R.C. 119.12, by filing a notice of appeal with the Ohio Division of Financial Institutions, setting forth the order appealed from and the grounds for the appeal. A copy of such notice of appeal must also be filed with the court of common pleas of the Ohio county in which the place of business of the Respondent is

located, or the Ohio county in which the Respondent is a resident. A notice of appeal must be filed within fifteen (15) days after the date of mailing of this order.



Signed and sealed this 10th day of April, 2006.

Robert M. Grieser

ROBERT M. GRIESER

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

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