

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

|                                  |   |   |
|----------------------------------|---|---|
| In the matter of:                | ) | Case No. 04-0004-MBD                                      |
|                                  | ) |   |
| <b>Kay-Co. Investments, Inc.</b> | ) | <b>DIVISION ORDER</b>                                     |
| DBA – Pacific Capital Mortgage   | ) | <b>2003 Mortgage Broker Renewal Application – Denied.</b> |
| 350 Ignacio Boulevard            | ) |   |
| Novato, California 94949         | ) |   |
|                                  | ) |   |

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WHEREAS, 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, as amended by Ohio Senate Bill 76 and codified in Ohio Revised Code (“R.C.”) Chapter 1322, the Division finds that this order is necessary and appropriate, in the interest of the public, and is consistent with the purposes of the Ohio Mortgage Broker Act; and

WHEREAS, Kay-Co. Investments, Inc., DBA – Pacific Capital Mortgage (“Respondent”) is a company that held a certificate of registration issued by the Division to engage in the mortgage broker business pursuant to R. C. Chapter 1322. Respondent’s mortgage broker certificate of registration expired on April 30, 2003, and Respondent filed an application to renew its certificate.

WHEREAS, on January 16, 2004, the Division issued Respondent a Notice that informed it that the Division had intended to deny Respondent’s renewal application and, as a result thereof, alleged that:

1. Respondent failed to comply with the continuing education requirements of the Ohio Mortgage Broker Act, codified in R.C. 1322.052;
2. Respondent did not meet the conditions for renewal, as set forth in R.C. 1322.041(B)(2); and that
3. Respondent’s non-compliance with the Ohio Mortgage Broker Act caused the Division to believe that Respondent does not hold the requisite character and general fitness to command the confidence of the public and to warrant the belief that Respondent’s business will be conducted in compliance with the Act. (R.C. §1322.04(A)(10).)

WHEREAS, the Notice informed Respondent of the Division’s intent to deny its mortgage broker certificate of registration renewal application and of the opportunity for a hearing regarding the denial if requested within thirty days from the mailing of the Notice. The Notice further cautioned Respondent that “[i]f the Ohio Division of Financial Institutions d[id] not receive a written request for a hearing in its offices within thirty (30) days of the time of the mailing of th[e] Notice, the Superintendent w[ould] issue an order denying Respondent’s renewal application[;]”

WHEREAS, the Notice was mailed to Respondent, via certified mail, on January 16, 2004, and service was perfected;

WHEREAS, Respondent failed to request a hearing by the statutory deadline and thereby failed to defend against the Division’s allegations;

WHEREAS, the Division finds that the allegations contained in the Notice are true and that Respondent's 2003 renewal application for a mortgage broker certificate of registration should be denied;

The Respondent's 2003 renewal application for a mortgage broker certificate of registration is hereby 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 county in which the place of business of the Respondent is located, or the 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 24<sup>th</sup> day of March, 2004.

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**ROBERT M. GRIESER**

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

CERTIFIED MAIL: 7002 2030 0002 6800 4903