

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

In the matter of:)
) Case No. 06-0001MBD
Ocean West Enterprises, Inc.)
15991 Red Hill Ave.- Suite 110) Notice of Intent to Deny
Tustin, CA 92780) Renewal of Mortgage Broker Certificates
) of Registration
) &
) 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 Ocean West Enterprises, Inc. ("Respondent") is a California corporation that holds active mortgage broker certificates of registration issued by the Division pursuant to R.C. 1322. The business address of record for Respondent's main office is 15991 Red Hill Avenue, Suite 110, Tustin, CA 92780 with certificate of registration number MB 4370. Respondent has several licensed branch offices.

NOTICE OF PROPOSED ACTION

In accordance with R.C. 1322.04(B) and 1322.10(A)(1)(a), and pursuant to R.C. Chapter 119, the Division intends to DENY Respondent's 2005 renewal application for mortgage broker certificates of registration.

BASIS FOR PROPOSED ACTION

Pursuant to R.C. 1322.10(B) and R.C. 1322.04(B), the Division conducted an investigation into the affairs of Respondent, and as a result thereof, alleges the following:

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.

As a result of the findings listed above, the Division has determined that:

1. Respondent violated 1322.07(A) of the Ohio Mortgage Broker Act in its 2005 Renewal Application for a Mortgage Broker Certificate of Registration.
2. Respondent violated 1322.07(B) of the Ohio Mortgage Broker Act in its 2005 Renewal Application for a Mortgage Broker Certificate of Registration.
3. Respondent violated 1322.07(C) of the Ohio Mortgage Broker Act in its 2005 Renewal Application for a Mortgage Broker Certificate of Registration.
4. Respondent has failed to maintain or provide the Division with an active surety bond. Under R.C. 1322.05(A), Respondent may not conduct business in Ohio.
5. Pursuant to R.C. 1322.10(A)(1)(a), the Superintendent of Financial Institutions may refuse to renew 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. Since Respondent has violated provisions of R.C. 1322.01 through R.C. 1322.12, the Superintendent has authority to refuse to renew Respondent's certificate of registration.
6. According to R.C. 1322.04(B), a mortgage broker's certificate of registration may be renewed annually if the superintendent finds that certain conditions are met. Respondent has failed to meet the conditions in R.C. 1322.04(A)(3), R.C. 1322.04(A)(5), R.C. 1322.04(A)(6), R.C. 1322.04(A)(9), and R.C. 1322.04(A)(10), conditions of renewal through R.C. 1322.04(B)(3).

PROPOSED ACTION

Based upon the allegations and findings above, the Division intends to ORDER DENYING THE RENEWAL of the mortgage broker certificates of registration MB 4370, 4371, 5164, 5181, and 5297 for Ocean West Funding, Inc..

NOTICE OF OPPORTUNITY FOR A HEARING ON PROPOSED ACTION

Therefore, pursuant to R.C. Chapters 1322 and 119, Respondents are hereby notified that thirty-one (31) days from the date of the mailing of this Notice, the Superintendent intends to issue an ORDER DENYING THE RENEWAL of the mortgage broker certificates of registration MB 4370, 4371, 5164, 5181, and 5297 for Ocean West Funding, Inc..

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 by an 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 DENYING THE RENEWAL of the mortgage broker certificates of registration MB 4370, 4371, 5164, 5181, and 5297 for Ocean West Funding, Inc..

Signed and Sealed this _____ day of _____, 2006.

Robert M. Grieser
Deputy Superintendent of Consumer Finance

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

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