

BEFORE THE ARKANSAS SECURITIES COMMISSIONER

CASE NO. C-08-023

IN THE MATTER OF:
DEOCAP CORPORATION
LICENSE NO. 35903

ORDER NO. C-08-023-08-FO01

RESPONDENT

ORDER REVOKING LICENSE OF DEOCAP CORPORATION

On February 25, 2008, the Arkansas Securities Department Staff ("Staff") filed its Request for Revocation of License and for Temporary Suspension of License Pending Hearing ("Request for Revocation"). The Request for Revocation sought a hearing to determine whether mortgage broker license number 35903 held by Deocap Corporation should be revoked. A Notice of Hearing was filed on February 25, 2008, and amended on March 10, 2008. The hearing on this matter was held on April 7, 2008. Deocap Corporation failed to appear. The Staff was represented by Staff Attorney, Karyn Tierney.

Having considered the pleadings, exhibits, and the testimony of the witness, the Arkansas Securities Commissioner ("Commissioner") hereby revokes the mortgage broker license of Deocap Corporation.

Findings of Fact

1. This proceeding was conducted pursuant to the Arkansas Fair Mortgage Lending Act ("Act"), Ark. Code Ann. § 23-39-501 through § 23-39-518, and the Arkansas Administrative Procedure Act, Ark. Code Ann. § 25-15-201 through § 25-15-218. The subject matter jurisdiction is proper.

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2. Deocap Corporation is a mortgage broker located in San Francisco, California. Prior to the Order Summarily Suspending License of Deocap Corporation issued on February 25, 2008, Deocap Corporation had been licensed as a mortgage broker with the Arkansas Securities Department (“Department”) since November 21, 2006.

3. Deocap Corporation posted surety bond number SUR2073634 to secure the faithful performance of its duties under the Act. This bond was canceled by North American Specialty Insurance Company (“North American”) effective February 18, 2008. The Department received prior notice from North American and provided notice to Deocap Corporation of the impending cancellation.

4. Deocap Corporation failed to maintain a surety bond as required by the Act. No renewal of the subject surety bond or a replacement bond has been posted by Deocap Corporation.

5. Deocap Corporation was served with notice of the hearing on the Staff’s Request for Revocation and failed to appear.

Conclusions of Law

6. The Act requires maintenance of a surety bond with the Department in the amount of \$50,000.00 for a mortgage broker. Ark. Code Ann. § 23-39-505(f)(1). This bond is for the benefit of any claimants against the mortgage broker to secure the mortgage broker’s faithful compliance of its obligations under the Act. Ark. Code Ann. § 23-39-505(f)(2).

7. The Commissioner may by order deny, suspend, revoke, or refuse to issue or renew a license of a licensee if the Commissioner finds that the order is in the public

interest and the licensee does not meet the bond requirements of the Act. Ark. Code Ann. § 23-39-514(a)(1) and (a)(2)(H).

8. Deocap Corporation's failure to post the required bond violates Ark. Code Ann. § 23-39-505(f). The revocation of Deocap Corporation's mortgage broker license due to this violation is in the public interest.

Order

IT IS HEREBY ORDERED that the mortgage broker license of Deocap Corporation is hereby revoked. Deocap Corporation shall immediately cease and desist from all mortgage loan brokering activities in Arkansas.

Deocap Corporation may obtain a review of this Order by filing a written petition with the Circuit Court of Pulaski County, Arkansas within sixty (60) days after entry of this Order pursuant to Ark. Code. Ann. § 23-39-515(a)(1).



A. Heath Abshure
Arkansas Securities Commissioner

April 17, 2008
Date