

BEFORE THE ARKANSAS SECURITIES COMMISSIONER

CASE NO. C-08-023

IN THE MATTER OF:

IN THE MATTER OF:  
DEOCAP CORPORATION  
LICENSE NO. 35903

RESPONDENT

RECEIVED  
2008 FEB 25 PM 1:50  
ARKANSAS SECURITIES DEPT.

**REQUEST FOR REVOCATION OF LICENSE AND FOR  
TEMPORARY SUSPENSION OF LICENSE PENDING HEARING**

Comes now the Arkansas Securities Department (“Department”), by and through its attorney, Karyn Tierney, and for its Request for Revocation of License and for Temporary Suspension of License Pending Hearing, states:

**Administrative Authority**

This matter is in connection with the revocation of a license to conduct business as a mortgage broker pursuant to the Arkansas Fair Mortgage Lending Act (“FMLA”), Ark. Code Ann. §§ 23-39-501 *et seq.*, and is therefore properly before the Arkansas Securities Commissioner (“Commissioner”).

**Respondent**

1. Deocap Corporation is a mortgage broker company located in San Francisco, California. Deocap Corporation has been licensed as a mortgage broker with the Department since November 21, 2006. Deocap Corporation’s license is scheduled to expire on June 30, 2008.

**Facts to be Presented by Securities Department Staff**

2. On or about December 20, 2007, the Department received a notice of cancellation from North American Specialty Insurance Company on surety bond number (SUR2073634). Department records reflect this surety bond was held by Deocap Corporation. A copy of the cancellation notice is attached hereto as “Exhibit A”.

3. The Department notified Deocap Corporation that the surety bond would be cancelled effective February 18, 2008, and that the surety bond must be replaced or reinstated prior to that time. A copy of the notice is attached hereto as “Exhibit B”.

4. Deocap Corporation has not provided a replacement surety bond, and the prior surety bond has not been reinstated.

**Legal Authority**

5. The Commissioner may by order deny, suspend, revoke, or refuse to issue or renew a license of a licensee or applicant if the Commissioner finds that the order is in the public interest and the licensee or applicant does not meet the bond requirements of the FMLA. Ark. Code Ann. § 23-39-514(a)(1) and (a)(2)(H).

6. The FMLA 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).

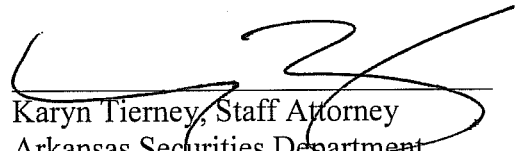
7. The Commissioner may summarily suspend the license of a licensee pending final determination of any proceeding under the FMLA. Ark. Code Ann. § 23-39-514(c)(1).

**Summary**

For the reason set forth herein, the Department requests that a hearing be held to consider whether the license of Deocap Corporation should be revoked. The Department

further requests that a separate Order be entered summarily suspending the license of Deocap Corporation pending a hearing on this Request for Revocation of License and for Temporary Suspension of License Pending Hearing.

Respectfully Submitted,



Karyn Tierney, Staff Attorney  
Arkansas Securities Department  
201 East Markham Street, Suite 300  
Little Rock, Arkansas 72201  
Arkansas Bar No. 2003120  
Telephone: 501-324-9260

2-25-2008  
Date

# NOTICE OF CANCELLATION

RECEIVED  
2007 DEC 20 AM 7:48  
ARKANSAS SECURITIES DEPT.

BOND NUMBER	TYPE OF BOND	ORIGINAL EFFECTIVE DATE	DATE OF CHANGE
SUR2073634	Mortgage Brokers, Bankers, Lenders-First and Second Mortgages	11/8/2006	12/10/2007

Certified Receipt No. 70070710000363653051

Obligee: State of Arkansas, Securities Department  
201 East Markham Street, Ste. 300  
Little Rock, AR 72201

Re: Name of Insured or Principal: Deocap Corporation # 35903  
Name of Obligee: State of Arkansas, Securities Department  
Type of Bond: Mortgage Brokers, Bankers, Lenders-First and Second Mortgages  
Bond Number: SUR2073634 ✓

WHEREAS, on or about 8 day of November, 2006, the

North American Specialty Insurance Company, As Surety, executed its Mortgage Brokers, Bankers, Lenders-First and Second Mortgages bond in the penalty of Fifty Thousand Dollars and 00/100 Dollars (\$50,000.00), on behalf of Deocap Corporation, as Principal, in favor of State of Arkansas, Securities Department, as Obligee, and

WHEREAS, said bond, by its terms, provides that the said Surety shall have the right to terminate its suretyship thereunder by serving notice of its election so to do upon the said Obligee, and

WHEREAS, said surety desires to take advantage of the terms of said bond and does hereby elect to terminate its liability in accordance with the provisions thereof.

NOW, THEREFORE, be it known that the North American Specialty Insurance Company

Shall, at the expiration of 60 days after receipt of this notice, consider itself released from all liability by Reason of any default committed thereafter by the said Principal.

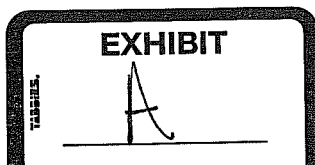
Signed and Sealed this 10 day of December, 2007.

North American Specialty Insurance Company

(Name of Surety)

BY:

*Faith Rivera*  
Faith Rivera  
Attorney-in-Fact



MIKE BEEBE  
GOVERNOR

A. HEATH ABSHURE  
COMMISSIONER



HERITAGE WEST BUILDING, SUITE 300  
201 EAST MARKHAM STREET  
LITTLE ROCK, ARKANSAS 72201-1692  
TELEPHONE: (501) 324-9260  
FACSIMILE: (501) 324-9268

## ARKANSAS SECURITIES DEPARTMENT

VIA FACSIMILE (877) 317-1256 and REGULAR U.S. MAIL

December 20, 2007

Mr. Neill Sullivan  
Deocap Corporation  
645 Harrison Street, Suite 201  
San Francisco, CA 94107

Dear Mr. Sullivan:

The Department has received notification from your Surety Company that your Mortgage Broker Surety Bond will be terminated February 18, 2007. A copy of this notification is enclosed. A copy of the Department's current bond form is also enclosed for your convenience.

Pursuant to Ark. Code Ann. § 23-39-505(f), a \$50,000.00 corporate surety bond must remain in force at all times. If the Department does not receive a new bond or written notice that the above referenced bond has been reinstated by February 18, 2007, the Commissioner will enter an Order that will (i) revoke your Mortgage Broker license, (ii) will require you to immediately cease engaging in any and all mortgage brokering activity, and (iii) will require that you provide proof to the Commissioner that all pending mortgage loan applications and/or closed mortgage loans held by you have been transferred to a duly licensed mortgage broker.

Please feel free to contact the Department if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Charles Kelemen".

Charles Kelemen  
Senior Examiner  
Direct Dial: (501) 324-8681  
Charles.Kelemen@securities.arkansas.gov

