

STATE OF NEW JERSEY



DEPARTMENT OF BANKING AND INSURANCE DIVISION OF BANKING

ORDER NO. E07-0258

IN THE MATTER OF:

DANA CAPITAL GROUP, INC.,)
Ref. No. 9913576)
JONATHAN F. MENDELSON)
Ref. No. 9959181)
)
)
)
)
)
)

**ORDER
TO CEASE AND DESIST
AND TO TAKE CERTAIN ACTIONS
&
ORDER TO SHOW CAUSE
WHY LICENSES SHOULD
NOT BE REVOKED**

TO: Dana Capital Group, Inc.
t/a Loantiger.com
906 Summit Avenue – Ground Floor
Jersey City, New Jersey 07307

Jonathan F. Mendelsohn
906 Summit Avenue – Ground Floor
Jersey City, New Jersey 07307

Dana Smith, President
Dana Capital Group, Inc.
8001 Irvine Center Drive – Suite 1200
Irvine, California 92618

Dana Smith, President
2937 Calle Frontera
San Clemente, California 92673

Kelly Christiansen, Esq., General Counsel
Dana Capital Group, Inc.
8001 Irvine Center Drive – Suite 1200
Irvine, California 92618

Robert Jaworski, Esq.
Reed Smith, LLP
Princeton Forrestal Village
136 Main Street – Suite 250
Princeton, New Jersey 08540

THIS MATTER having been opened by the Commissioner of Banking and Insurance (“the Commissioner”), upon information that Dana Capital Group, Inc. (“Dana Capital”), also trading as Loantiger.com, a licensed lender with mortgage banker and secondary lending authorities pursuant to the New Jersey Licensed Lenders Act (the “Act”), N.J.S.A. 17:11C-1 et seq., and Jonathan F. Mendelsohn (“Mendelsohn”), the individual licensee of record of Dana Capital under the Act, have engaged in conduct in violation of the Act warranting issuance of this Order to Cease and Desist and to Take Certain Actions and Order to Show Cause Why Licenses Should not be Revoked (collectively referred to as “this Order”); and

COUNT ONE

IT APPEARING that Dana Capital and Mendelsohn have failed to obtain a license for five offices in this state from which they have direct contact with New Jersey consumers regarding origination or brokering of mortgage loans, the addresses of which are listed below, and the signage at which indicates they are operating as Dana Capital branch offices, in violation of N.J.S.A. 17:11C-9a, N.J.A.C. 3:15-2.3, and N.J.S.A. 17:11C-18a(1), with each such instance representing a separate violation of same:

01	80 Broad Street, Red Bank, NJ 07701
02	1295 State Route 23, Butler, NJ 07405
03	18 Industrial Ave., Mahwah, NJ 07430
04	21 Grand Ave., Palisade Parks, NJ 07650
05	819 Sanford Ave., Newark, NJ 07106

COUNT TWO

AND IT FURTHER APPEARING that Dana Capital and Mendelsohn have failed to obtain a license for 58 offices located in this state or other states from which they have direct contact with New Jersey consumers regarding origination or brokering of mortgage loans, the addresses of which are listed below, in violation of N.J.S.A. 17:11C-9a, N.J.A.C. 3:15-2.3, and N.J.S.A. 17:11C-18a(1), with each such instance representing a separate violation of same:

#	Location	Telephone
01	CLC Mtge. Processing, 546 St. George Ave., Rahway, NJ	732 396 8840
02	Easyway Financial Svcs., 478 Washington Ave., Belleville, NJ	973 844 1091
03	Easyway Financial Svcs., 238 Ferry Street, Newark, NJ	973 465 0101
04	Global Capital Finance LLC, East Brunswick, NJ	732 238 6955
05	KNS LLC, 515 Washington Rd., Parlin, NJ	732 238 4747
06	Nabon Inc., 103 Nesbit Terr., Irvington, NJ	973 374 9204
07	P A Barbara, Upper Saddle River, NJ	201 825 2955
08	Specialty Home Svcs., Ft. Lee, NJ	201 592 7200
09	Upscale Dev. Inc., 588 Eagle Rock Ave., West Orange, NJ	973 669 8100
10	Relis Capital Management, 18 Industrial Ave., Mahwah, NJ 07430.	(201) 962-2342

11	W L Fe, 2092 Mertz Ct., Lisle, IL	630 369 6465
12	West Coast Homes, 25909 Pala, Mission Viejo, CA	949 916 0713
13	USA Liberty Mtge., 1180 Lincoln Ave., Holbrook, NY	631 567 7040
14	American Pride Financial Svcs., 27132 Paseo Espada, San Juan Capistrano, CA	949 429 8500
15	CJP Consultants, 73 Deer Park Ave., Babylon, NY	631 321 0453
16	Curtis & Roberta Burke, 8697 Deer Hollow Dr., Tipp City, OH	937 669 8100
17	D M Gunn,(street not available) Roseville, CA	916 783 8271
18	Dynamic Lending In., 1740 E. Garry Ave., Santa Ana, CA	949 486 1646
19	Everloan Financial, 101 Academy, Irvine, CA	949 999 5626
20	Funding USA Com Mtge., 2112 Business Ctr. Dr., Irvine, CA	949 428 7000
21	Help U Finance, 2700 N. Main St., Santa Ana, CA	714 479 0999
22	JC Lending Inc., 3741 Merced Dr., Riverside, CA	951 710 1280
23	Lamax Dev. Inc., 3660 Wilshire Blvd., LA, CA	213 365 0090
24	Lavest Investment Inc., 3660 Wilshire Bl, L.A., CA	213 365 2470
25	Matrix Mtge., 1159 Iowa Ave., Riverside, CA	951-686-3863
26	Mortgage Great Western, 3760 Convoy St., San Diego, CA	858 277 4440
27	Mutual Benefit Funding, 16 Tribute Ct., Newport Beach, CA	949 574 1150
28	National Pacific Lending, 23201 Mill Creek Dr., Laguna Hills, CA	949 362 1400
29	Nationwide Mtge., 1 Park Pl., Irvine, CA	949 502 5555
30	Nexgen, 75 Enterprise, Aliso Viejo, CA (answered phone as "Sienna Home Mtge")	949 330 7660
31	Pacifica Home Loans Inc, 7505 Irvine Center Dr., Irvine, CA	949 417 6200
32	Source Capital Prime, 25909 Pala, Mission Viejo, CA	949 916 0700
33	Star Financial, (street not available) Irvine, CA	949 461 0543
34	Trusted Home Mtge., 1381 Warner Ave., Tustin, CA	714 258 7575
35	1 Gateway Center #2600, Newark, NJ	(973) 542-1170
36	1974 Glendola Rd., Wall, NJ	(732) 292-0728
37	241 North Avenue West, 2 nd Floor, Westfield, NJ	(908) 913-1900
38	171 Darling Avenue, Nutley, NJ	(973) 542-1170
39	191-1 Hamburg Turnpike, Pompton Lakes, NJ	(866) 928-2447
40	63 Madison Avenue, Red Bank, NJ	(732) 345-5172
41	Raritan Plaza I, 110 Fieldcrest Ave., Edison, NJ	(877) 799-7334
42	466 Mercer Street, Gloucester City, NJ	(856) 942-0096
43	10 Daniel Place, East Brunswick, NJ	(732) 227-9212
44	771 Sanford Avenue, Newark, NJ	(973) 373-8870
45	4000 Bordentown Avenue, Sayreville, NJ	(732) 651-7299
46	6 Deforest Avenue, Suite 7, East Hanover	(973) 428-6001
47	1 Norz Drive, Hillsborough, NJ	(425) 761-3665
48	11 New Street, Englewood Cliff, NJ	(201) 227-8772
49	2 Executive Drive, Suite 715, Fort Lee, NJ	(201) 592-7221
50	9 India Brook Drive, Mendham, NJ	(973) 543-2604
51	877 Broad Street, Suite 207, Newark, NJ	(860) 523-8600
52	45 Brandt Avenue #6, Clark, NJ	(732) 382-0600
53	460 Bergen Blvd. #260, Palisades Park, NJ	(212) 760-0111

54	27 N. Main Street, Marlboro, NJ	(732) 683-0220
55	316 Cambridge Drive, Ramsey, NJ	(973) 223-0002
56	745 Palisade Avenue, Cliffside Park, NJ	(201) 945-4545
57	466 Mercer Street, Gloucester City, NJ	(856) 942-4261
58	15W Prospect St., Suite 2L, East Brunswick, NJ	(732) 390-9996

COUNT THREE

AND IT FURTHER APPEARING that Dana Capital and Mendelsohn have had direct contact with New Jersey consumers regarding origination or brokering of mortgage loans at 59 unlicensed offices, at the addresses set forth in Count Two above, which offices are not in compliance with the restrictions on branch office arrangements established at N.J.A.C. 3:15-2.3(f), in violation of N.J.A.C. 3:15-2.3(f) and N.J.S.A. 17:11C-18a(1), with each such instance representing a separate violation of same; and

COUNT FOUR

IT FURTHER APPEARING that Dana Capital and Mendelsohn have used the services of the 92 mortgage solicitors listed below acting in Dana Capital's behalf but not registered with the Department, to solicit, provide or accept mortgage loan applications, in violation of N.J.S.A. 17:11C-3c, N.J.A.C. 3:15-2.13, and N.J.S.A. 17:11C-18a(1), with each such instance representing a separate violation of same:

Adams, Joe	Getz, Justin	Kurdmisto, Reem
Alexander, Scott	Giberson, Kim	Narty, Kofi
Ashworth, Glenn	Gliottone, Mike	Newlands, Skyler
Askew Diallo	Gregg, Aaron	Nguyen, Daniel
Bayes, Nikki	Gumul, Roman	Nguyen, Su
Beltran, Michelle	Halsip, Frank	Olivas, Robert
Benzig, Penny	Hanu, Ilan	Pacheco, Omar
Blake, Michael	Hernandez, Guillermo	Pannaman, Christine
Bolton, Tonya	Hernandez, Julio	Pannaman, Joe
Bondanza, Robert	Hernandez, Stephen	Parker, John
Bourbeauiar, Mark	Hibler, Steve	Pierre, Salem
Bradle, Greg	Howe, Carey	Pisa, Joseph
Callari, Anthony	Hurt, Marcellas	Pisa, Lauren
Carnes, Glen	Innu, Tony	Prather, Mark
Casey, Tom	Jimenez, Juan	Redmon, William
Clancy, Michael	Jiron, Josh	Reid, Matthew
Couret, Etienn	Jun , Kisuk	Rock, Sonny
Dadvar, Bobby	Kapoor, Jagdeep	Rubenbauer, Alois
Demirtshian, Ralph	Klein, Greg	Salazar, Frank
Diaz, Michael	Kolahi, Shawn	Scilliano, Scott

Diez, Brian	Kucsan, Brian	Shepherd, Ashlee
Dodgen, Simon	Kumpf, William	Shin, James
Doegl, Alex	Leonardo, Nicholas	Simon, Keith
Eichenbaum, Jim	Lisnyansky, Rimma	Smith, Melissa
Falangas-Grab, Christi	Lobasso, Kim	Stamper, Sam
Falzarano, Marc	Lucia, Nick	Stone, Tyler
Faulkner, Phillip	Majid, Samirah	Strane, Todd
Finegan, Robert	Marchione, Anthony	Templeton, Mikhail
Foigelman, Steve	Matthews, Tim	Tobias, Manuel
Francis, Doug	Miller, William	Waylett, Melissa
Fraumeni, Richard	Mueller, Gerald	

COUNT FIVE

IT FURTHER APPEARING that Dana Capital and Mendelsohn have allowed at least 73 individuals, other than those listed in Count Four, to act as mortgage solicitors, accepting mortgage loan applications, prior to their being registered with the Department, in violation of N.J.S.A. 17:11C-3c and N.J.A.C. 3:15-2.13, with each such instance representing a separate violation of N.J.S.A. 17:11C-18a(1); and

COUNT SIX

IT FURTHER APPEARING that Dana Capital and Mendelsohn have collected a commitment fee in the amount of \$995.00 from at least the 26 consumers listed below without previous disclosure of such fee in violation of N.J.S.A. 17:11C-23c and N.J.A.C. 3:1.16-2, with each such instance representing a separate violation of N.J.S.A. 17:11C-18a(1):

Borrower	Loan Amount	Closed	
Carol Webb	\$169,000	02/06/06	(a)
Uche Nwoko	125,600	02/27/06	(a)
Kyung Hee Song	408,000	06/16/06	(b)
Ezra McClendon	265,500	05/23/06	(b)
Fernande Gabriel	348,500	05/14/06	(b)
Thomas Salvatore	204,000	05/03/06	(b)
John Asay	220,000	04/24/06	(a)
Natalie White	283,500	04/21/06	(b)
Thomas Patterson	526,500	05/03/06	(a)
Sameer Syed	248,000	04/12/06	(a)
William Rode	252,000	04/26/06	(a)
Enrique Negron	186,000	04/06/06	(a)
Mark Turkaly	249,750	05/08/06	(a)
Malcoln King	208,250	06/12/06	(a)
Audrey Fried	301,000	06/12/06	(b)
Ludlow Harrison	232,000	02/28/06	(a)
Cristina Smith	471,000	04/28/06	(b)
Edison Roy	470,155	01/30/06	(a)

Yolanda Foy	404,000	04/24/06	(b)
Guy Tallent, Jr.	750,000	06/02/06	(a)
Diane Marini	168,300	05/04/06	(a)
Douglas Helbach Jr.	156,000	04/13/06	(a)
Therese Cary	120,000	04/17/06	(b)
Kathleen Caneal	236,000	06/12/06	(b)
Kim Greaux	237,500	02/21/05	(a)
Denise Weaver	184,250	05/18/06	(a)

(a) No commitment.

(b) Commitment issued at closing reflecting commitment fee and signed by borrower at closing.

COUNT SEVEN

AND IT FURTHER APPEARING that Dana Capital and Mendelsohn have collected a warehouse fee in the amount of \$995.00 from at least the 11 consumers listed below in which said charge did not reflect the actual cost associated with the mortgage loan, in violation of N.J.S.A. 17:11C-23c and N.J.A.C. 3:1-16.2 with each such instance representing a separate violation of N.J.S.A. 17:11C-18a(1):

Borrower	Loan	Closed
Athena Karayanis	\$428,000	02/10/06
Dwayne Woods	382,500	01/17/06
Michael Mallory	227,500	04/27/06
Fred Barrolle	106,400	01/04/06
Rafeal Rivera	166,600	01/08/06
Debra Morales	339,600	02/18/06
James Davies	346,000	05/12/06
Earnell Ranghel	115,000	01/04/06
Lorraine Campanella	281,250	05/08/06
Ana Guillermo	800,000	03/29/06
Weon Kyu	484,000	06/13/06

COUNT EIGHT

AND IT FURTHER APPEARING that Dana Capital and Mendelsohn have collected at least 26 application fees and 28 discount points from consumers, as set forth in the list below, without providing borrowers with a required separate service agreement disclosure in violation of N.J.S.A. 17:11C-23c and N.J.A.C. 3:1.16-10, with such instance representing a separate violation of N.J.S.A. 17:11C-18a(1):

[Legend: (AP) - application fee; (DP) - discount points; (Proc.) - processing fee; (Adm.) - administration fee; (Risk) - risk assessment; and (UW) - underwriting fee.]

Borrower Name	Loan Amount	Collected Fees	Broker Disclosure	Impermissible Fees
Bright Danso	196,000	DP 5,700	DP 0	
Geraldo Watson	868,000	AP 795 Proc. 995	AP 0	Proc. 995
Duwayne Pitts	340,000	DP 1,590	DP 0	
		AP 695	AP 0	
Michael Dipaolo	799,200	DP 12,000 Proc. 2,295	DP 0	Proc. 2,295
Kristen Mc Gargee	265,000	AP 300 Proc. 587	AP 0	Proc. 587
Jaires Alvas	324,000	Proc. 495		Proc. 495
Dyle MacGregor	331,000	AP 1,000	AP 500	
Jeffrey Chadziutko	324,000	DP 3,240 Proc. 550	DP 0	Proc. 550
Edgar Ormeno	192,500	DP 2,895 Adm. 1,000 Proc. 995	DP 0	Adm. 1,000 Proc. 995
Magaly Barrezueta	365,600	DP 3,656 Adm. 795	DP 1828	Adm. 795
Carla Sheppert	135,000	AP 990 DP 3,339	AP 495 DP 0	
Steven Shilling	216,000	AP 1,095	AP 300	
Kealoha Warren	250,750	DP 3,498 AP 599	DP 0 AP 0	
Ann Robbins	668,500	DP 6,685 Risk 1,495	DP 0	Risk 1,495
Frank Brown	157,250	DP 2,738 AP 890	DP 1,550 AP 0	
Vernon Prioleau	207,000	AP 1,000 DP 5,844	AP 0 DP 3%	
Lee Glascoe	166,500	DP 4,425 AP 495	DP 0 AP 0	
Eric Torok	246,000	AP 1,000 DP 7,724	AP 0 DP 0	
Derek Fogg	364,000	DP 1,840	DP 1,820	
Shawn Sidali	322,400	AP 599 DP 7,527	AP 0 DP 1,595	
Dennis Farese	310,000	AP 1,000 DP 6,200	AP 500 DP 0	
Michael Agro	209,000	DP 3,135 AP 1,000	DP 0 AP 495	
Vidalina Martinez	370,000	AP 795	AP 0	
Michael Shea	292,000	DP 5,840	DP 0	Adm. 495 Proc. 495
Anthony Shields	272,000	AP 920		

Marvin Reh	215,000	DP 900 AP 495 Adm. 425	DP 0 AP 0	Adm. 425
Edward Waslik	270,000	DP 1,500 UW 695	DP 0	UW 695
Stephen Speight	243,200	AP 850 DP 2,432	AP 595 DP 0	
Keith Jackson	123,250	DP 3,856 Proc. 495		Proc. 495
John Helmus	247,000	DP 3,760	DP 0	
Ayanna Kornegay	161,500	DP 1,615 AP 1,800	DP 2% AP 850	
Burak Boleslaw	187,500	DP 3,374 Proc. 995	DP 0	Proc. 995
Gary Doyle	375,000	DP 4,750 AP 307 Adm. 500 Proc. 500	DP 0 AP 0	Adm. 500 Proc. 500
Lauro Tavares	266,000	Proc. 795		Proc. 795
Labib Charrouf	258,750	DP 2,587 Proc. 595	DP 0	Proc. 595
Peter Edwards	191,250	DP 3,346 Adm. 500 Proc. 595	DP 0	Proc. 595 Adm. 500

COUNT NINE

AND IT FURTHER APPEARING that Dana Capital and Mendelsohn have charged fees to borrowers that are not permitted under the Act as set forth in the list below, in violation of N.J.S.A. 17:11C-23, N.J.A.C. 3:1-16.2, and N.J.S.A. 17:11C-18a(1), with each such instance representing a separate violation of N.J.S.A. 17:11C-18a(1):

Borrower Name	Loan	Closed	Impermissible Fees
Reginald Nelson	\$195,750	02/17/05	Underwriting \$2,460
Weon Kyu/Myeong Sook Cho	484,000	06/13/06	Underwriting 350
Jean Johnson	180,000	05/31/06	Underwriting 995
Walter Jones	213,600	02/28/06	Processing 850 Lender 995

NOW, THEREFORE, in accordance with authority provided at N.J.S.A. 17:1-15g, and pursuant to the Act, **IT IS**, on this 18th day of April 2007, **ORDERED** that:

A. ORDER TO CEASE AND DESIST

1. Dana Capital and Mendelsohn shall immediately **CEASE AND DESIST** from conducting any business subject to regulation under the Act at any office identified in

Counts One, Two, and Three of this Order unless and until such offices are licensed under the Act and deemed by the Commissioner to be in compliance with N.J.A.C. 3:15-2.3.

2. Dana Capital and Mendelsohn shall immediately **CEASE AND DESIST** from taking any new applications from or otherwise accepting any mortgage solicitor services from any person not duly registered with the Department as a mortgage solicitor, including, but not limited to, the persons named in Count Four of this Order unless and until such persons are duly registered with the Department.

3. Dana Capital and Mendelsohn shall immediately **CEASE AND DESIST** from charging impermissible fees as set forth in Counts Six, Seven, Eight, and Nine of this Order.

B. ORDER TO TAKE CERTAIN ACTIONS

4. Dana Capital and Mendelsohn shall immediately **TAKE ACTION** to license any all locations from which it intends to conduct business subject to regulation under the Act.

5. Dana Capital and Mendelsohn shall immediately **TAKE ACTION** to bring all branch offices from which it intends to conduct business subject to regulation under the Act into compliance with the restrictions on branch office arrangements established at N.J.A.C. 3:15-2.3(f).

6. Dana Capital and Mendelsohn shall immediately **TAKE ACTION** to register all persons acting as mortgage solicitors on behalf of Dana Capital, pursuant to the Act.

7. Dana Capital and Mendelsohn shall immediately **TAKE ACTION** to refund all impermissible fees cited in Counts Six, Seven, Eight and Nine of this Order, with a record of all such refunds to be provided to the Department

C. ORDER TO SHOW CAUSE - LICENSE REVOCATION & PENALTIES

7. Dana Capital and Mendelsohn shall appear and show cause why their licensed lenders licenses should not be **REVOKED** pursuant to N.J.S.A. 17:11C-43 and N.J.S.A. 17:11C-18(a)(1) for the violations set forth in this Order.

8. Dana Capital and Mendelsohn shall appear and show cause why they should not be jointly and severally liable for administrative **PENALTIES** for such violations of the Act pursuant to N.J.S.A. 17:11C-48.

D. OPPORTUNITY FOR A HEARING

IT IS PROVIDED that Dana Capital and Mendelsohn shall have the right to request an administrative hearing pursuant to the Administrative Procedures Act, N.J.S.A. 52:14B-1 et seq., as to the terms of this Order; and

IT IS FURTHER PROVIDED that unless a request for a hearing on this Order is received within twenty (20) days of receipt of this Order, the right to a hearing in this matter shall be deemed to have been waived by Dana Capital and Mendelsohn, and the Commissioner may dispose of this matter by issuing a final order pursuant to law.

A hearing may be requested by mailing the request to:

Leona B. Joyner, Chief of Enforcement
Office of Consumer Finance
Department of Banking and Insurance
P.O. Box 040
Trenton, New Jersey 08625-0040

The request shall contain:

- (1) Your name, address and daytime telephone number;
- (2) A copy of this Order;
- (3) A statement requesting a hearing;
- (4) A specific admission or denial of each fact alleged in this Order. Where the licensee has no specific knowledge regarding a fact alleged in the Order, a statement to that effect must be contained in the hearing request. Allegations of this Order not answered in the manner set forth above shall be deemed to have been admitted; and
- (5) A concise statement identifying any factual or legal defense intended to be asserted in response to each charge in this Order. Where the defense relies on facts not contained in the Order, those specific facts must be stated.

STEVEN M. GOLDMAN, COMMISSIONER
NEW JERSEY DEPARTMENT OF BANKING AND INSURANCE



STEVEN M. GOLDMAN, COMMISSIONER