

**STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

Before the Director of the Department of Insurance and Financial Services

In the matter of:

Ocean Wave Bank

Enforcement Case No. 23-17220

Agency No: 23-1086

Respondent.

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**Issued and entered
on April 6, 2023
by Renee Campbell
Senior Deputy Director**

TEMPORARY ORDER TO CEASE AND DESIST

The Department of Insurance and Financial Services (DIFS) is statutorily charged with the responsibility and authority to administer and implement the Banking Code of 1999 (Code), 1999 PA 276, as amended, MCL 487.11101 *et seq.* and the Money Transmission Services Act (Act), 2006 PA 250, as amended, MCL 487.1001 *et seq.* Pursuant to Section 2304 of the Code, MCL 487.12304 and Section 44 of the Act, MCL 487.1044, DIFS issued a Notice of Charges and Notice of Hearing to Respondent on April 6, 2023. Section 2305 of the Code, MCL 487.12305, provides that “[i]f the commissioner determines that the violation or threatened violation of the unsafe or unsound practice or practices, specified in the notice of charges served upon the institution under section 2304(1), or the continuation of the violation or practice, is likely to cause insolvency or substantial dissipation of assets or earnings of the institution, or is likely to otherwise seriously prejudice the interests of its depositors, the commissioner may issue a temporary order requiring the institution to cease and desist from any violation or practice. The order shall become effective upon service upon the institution and, unless set aside, limited, or suspended by a court in proceedings authorized by subsection (2), shall remain effective and enforceable pending the completion of the proceedings under section 2304.” Section 44(1) of the Act, MCL 487.1044(1), provides that “[i]f in the opinion of the commissioner a licensee is, has, or is about to engage in a practice that poses a threat of financial loss or threat to the public welfare or is, has, or is about to violate a law, rule, or order, the commissioner may issue and serve on the licensee a cease and desist order under this section.” DIFS now finds as follows:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

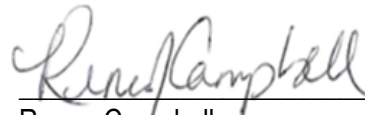
1. DIFS is responsible for the regulation of banks doing business in the state of Michigan and enforcement of the provisions of the Code.
2. DIFS is responsible for the regulation of a person conducting money transmission service activities in the state of Michigan and enforcement of the provisions of the Act.

3. Respondent Ocean Wave Bank is either currently or has in the past maintained an internet website at the URL of <https://www.oceanwavebank.com>. On this website, Respondent purports or purported to be a bank or business headquartered at 5483 E. Norlin Way, Au Train, MI 49806. The website contains a series of pages and subpages designed to create the appearance that Respondent is a legitimate authorized bank and/or a money transmission services business that offers banking services, currency exchange services, and/or money transmission services.
4. Respondent's website invites consumers to apply for a savings or checking account by clicking on a link on its website and entering personal information, creating a transmission pin, funding the account, and sending money to another person.
5. DIFS determined that Ocean Wave Bank is not located at the address listed on its website. The listed address appears to be a personal residence. The only evidence that DIFS was able to uncover regarding the existence of Ocean Wave Bank is the website described above.
6. Respondent is not a domestic bank authorized to commence business in the state of Michigan pursuant to Sections 3101-3108 of the Code, MCL 487.13101-13108.
7. Respondent is not a foreign bank authorized to commence business in the state of Michigan pursuant to Section 5101 of the Code, MCL 487.15101.
8. Respondent is not authorized as a national bank or under the International Banking Act of 1978.
9. Respondent is operating as a bank in this state without authorization in violation of Section 1105 of the Code, MCL 487.11105.
10. Respondent is using the word "bank" in its business name in this state in violation of Section 1106 of the Code, MCL 487.11106.
11. Respondent does not hold a license to provide money transmission services in the state of Michigan pursuant to Section 11 of the Act, MCL 487.1011.
12. On April 6, 2023, DIFS issued and served upon Respondent a Notice of Charges and Notice of Hearing, pursuant to Section 2304(1) of the Code, MCL 487.12304(1) and Section 44(2) of the Act, MCL 487.1044(2). Through that notice, Respondent was informed that its business practices were in violation of the Code and Act.
13. Respondent's business practices are likely to seriously prejudice the interests of its depositors and is engaged in business practices that poses a threat of financial loss or threat to the public welfare.

ORDER

IT IS THEREFORE ORDERED, pursuant to Section 2305 of the Code, MCL 487.12305 and Section 44 of the Act, MCL 487.1044, that: Ocean Wave Bank shall immediately **CEASE AND DESIST** from operating its website, <https://www.oceanwavebank.com>, from conducting any and all business operations as Ocean Wave Bank, and from committing any acts in violation of the Code and Act, as described above.

Dated: April 6, 2023



Renee Campbell
Senior Deputy Director

NOTICE OF HEARING

Date: May 17, 2023
Time: 9:00 a.m.
Judge: David B. Marmon
Call in Number: 1-866-336-1831
Guest Code: 1187128#

You are hereby notified that an administrative hearing has been set for the date and time listed above to determine whether an order to cease and desist should be issued based upon the allegations contained in the Notice of Charges. Please be advised that the Michigan Office of Administrative Hearings and Rules will be issuing its own Notice of Hearing which may contain additional instructions.

NOTICE OF RIGHTS

Within 10 days after an institution has been served a temporary cease and desist order under MCL 487.12305 and MCL 487.1044, an institution may apply to the circuit court for the county in which the principle office of the institution is located for an injunction setting aside, limiting, or suspending the enforcement, operation, or effectiveness of the order pending the completion of the proceedings under MCL 487.12304 and MCL 487.1044.