

BEFORE THE ARKANSAS SECURITIES COMMISSIONER
CASE NO. C-09-061
ORDER NO. C-09-061-09-CO01

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ARKANSAS SECURITIES DEPT.

IN THE MATTER OF:
ALLIED HOME MORTGAGE CAPITAL CORPORATION,
NMLS&R NO. 4169, AND
CAROLYN ANN HOFFMAN, NMLS&R NO. 146251

RESPONDENTS

CONSENT ORDER

This Consent Order is entered pursuant to the Arkansas Fair Mortgage Lending Act ("FMLA"), Ark. Code Ann. §§ 23-39-501 through 23-39-518, the Rules of the Arkansas Fair Mortgage Lending Act and the Arkansas Administrative Procedures Act, codified at Ark. Code Ann. §§ 25-15-101 through 25-15-219, in accordance with an agreement by and between the Staff of the Arkansas Securities Department ("Staff") and the Respondents, Allied Home Mortgage Capital Corporation ("Allied Home") and Carolyn Ann Hoffman ("Hoffman"), in full and final settlement of all claims that could be brought against Allied Home and Hoffman by the Staff on the basis of the facts set forth herein.

Allied Home and Hoffman admit the jurisdiction of the FMLA and the Arkansas Securities Commissioner ("Commissioner"), waive its and her right to a formal hearing and, without admitting or denying the findings of facts made herein, consent to the entry of this order and agree to abide by its terms.

FINDINGS OF FACT

1. Allied Home is a mortgage banker and mortgage servicer located in Houston, Texas, NMLS&R number 4169. Allied Home is currently licensed as a mortgage banker and mortgage

servicer by the Arkansas Securities Department ("Department"). Allied Home's license as a mortgage banker and mortgage servicer is scheduled to expire on December 31, 2009.

2. Hoffman is employed as a loan officer by Allied Home at its Little Rock, Arkansas, branch office. Hoffman was licensed by the Department as a mortgage loan officer. However, Hoffman's Arkansas mortgage loan officer's license expired on December 31, 2008. Through an administrative oversight Allied Home failed to transition Hoffman's mortgage loan officer license to the NMLS&R. Since July 30, 2009, Hoffman has had a mortgage loan officer license application pending in Arkansas, NMLS&R number 146251.

3. Between January 1, 2009, and July 30, 2009, Hoffman solicited and accepted a total of nine mortgage loan applications from residents of the State of Arkansas. Four of these mortgage loan applications were approved and ultimately funded. Four of these mortgage loan applications were denied. One of these mortgage loan applications was approved, but the mortgage loan has not been funded at the present time.

4. Allied Home employed Hoffman to solicit and accept all nine mortgage loan applications detailed in ¶3. Hoffman was paid a salary by Allied Home, and Hoffman received a commission for each of the four mortgage loans that were funded.

LEGAL AUTHORITY AND CONCLUSIONS OF LAW

5. Pursuant to Ark. Code Ann. § 23-39-503(a) it is unlawful for any person located in Arkansas other than an exempt person to act or attempt to act, directly or indirectly, as a loan officer without first obtaining a license from the Securities Commissioner under this subchapter. The acts of Hoffman as detailed in ¶¶1-4 constitute nine violations of Code Ann. § 23-39-503(a)

6. Pursuant to Ark. Code Ann. § 23-39-503(c) it is unlawful for any person other than an exempt person to employ, to compensate, or to appoint as its agent any person to act as a loan

officer unless the loan officer is licensed as a loan officer under this subchapter. The acts of Allied Home as detailed in ¶¶1-4 constitute nine violations of Ark. Code Ann. § 23-39-503(c)

7. Pursuant to Ark. Code Ann. § 23-39-514(a)(1) the entry of this order is in the public interest.

8. Pursuant to Ark. Code Ann. § 23-39-514(k) the FMLA permits the informal disposition of an allegation by a consent order. The acts and violations of the FMLA by Allied Home and Hoffman as detailed in ¶¶1-4 warrant the entry of a consent order.

9. The Commissioner by order may impose a civil penalty that shall not exceed \$10,000.00 for each violation by a mortgage banker, mortgage servicer, or loan officer upon a licensee or any partner, officer, director, member, manager, or other person occupying a similar status or performing a similar function on behalf of a licensee for any violation of the FMLA. Ark. Code Ann. § 23-39-514(b)(1) and (2). The acts and violations of the FMLA by Allied Home and Hoffman as detailed in ¶¶1-4 warrant the entry of appropriate civil penalties against Allied Home and Hoffman as authorized by Ann. § 23-39-514(b)(1) and (2).

ORDER

By agreement and with the consent of the Staff, the authorized representative of Allied Home, and Hoffman, it is hereby ordered that Allied Home shall be responsible for the payment of a civil penalty in the amount of \$10,000.00 to the Arkansas Securities Department. It is also ordered that Hoffman shall be responsible for the payment of a civil penalty in the amount of \$1,500.00 to the Arkansas Securities Department. In addition, Hoffman shall be responsible for completing eight (8) additional hours of continuing education courses, before she shall be eligible for licensure as a mortgage loan officer by the Department. Further, Hoffman shall

obtain a mortgage loan officer's license from the Department prior to engaging in any mortgage loan activity in Arkansas. The payment of said civil penalties shall be made by Allied Home and Hoffman to the Arkansas Securities Department within thirty (30) calendar days of the entry of this order.

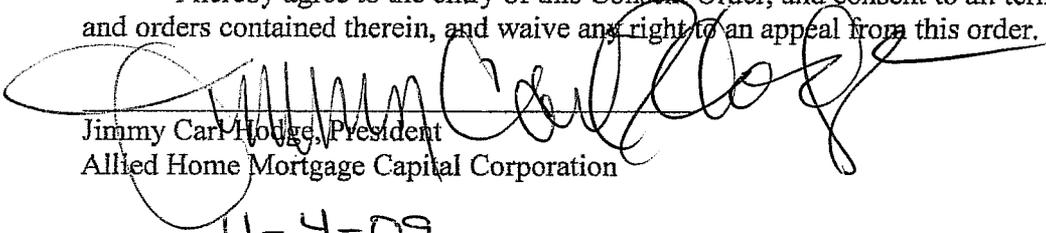
IT IS SO ORDERED.



A. Heath Abshure
Arkansas Securities Commissioner

November 6, 2009
Date

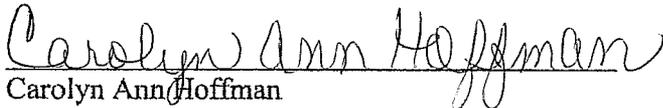
I hereby agree to the entry of this Consent Order, and consent to all terms, conditions, and orders contained therein, and waive any right to an appeal from this order.



Jimmy Carl Hodge, President
Allied Home Mortgage Capital Corporation

11-4-09

Date



Carolyn Ann Hoffman

10-29-09

Date



Scott S. Freydl
Staff Attorney, Arkansas Securities Department

11/6/09

Date