

BEFORE THE ARKANSAS SECURITIES COMMISSIONER

RECEIVED

CASE NO. C-10-041

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ARKANSAS SECURITIES DEPT.

IN THE MATTER OF:

ORDER NO. C-10-041-10-CO01

**FIRST ARKANSAS
FINANCIAL, INC.**

RESPONDENT

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 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 Respondent, First Arkansas Financial, Inc. ("First Arkansas") in full and final settlement of all claims that could be brought against First Arkansas by the Staff on the basis of the facts set forth herein.

First Arkansas admits the jurisdiction of the FMLA and the Arkansas Securities Commissioner ("Commissioner"), waives its right to a formal hearing and, without admitting or denying the findings of facts made herein, consents to the entry of this order and agrees to abide by its terms.

FINDINGS OF FACT

1. First Arkansas is a mortgage broker located in Sheridan, Arkansas. According to the Arkansas Securities Department's ("Department") records, First Arkansas has been licensed by the Department as a mortgage broker and mortgage banker since December 29, 2003. First Arkansas's license is scheduled to expire on December 31, 2010.

2. Phillip Petty ("Petty") was employed as a loan officer by First Arkansas during the relevant time period when the violations detailed in this order occurred. First Arkansas submitted a loan officer license application for Petty to the Department on April 2, 2007. Petty's loan officer license was ultimately approved and granted by the Department on April 11, 2007. However, on March 27, 2007, March 28, 2007, March 29, 2007, and April 2, 2007, without holding a license, Petty originated four mortgage loans for Arkansas residents. All four mortgage loan applications were accepted by First Arkansas.

3. Brian Shane Thompson ("Thompson") was employed as a loan officer by First Arkansas during the relevant time period when the violations detailed in this order occurred. First Arkansas submitted a loan officer license application for Thompson to the Department on May 8, 2007. Thompson's loan officer license was ultimately approved and granted by the Department on June 26, 2007. However, on April 18, 2007, April 24, 2007, May 4, 2007, May 10, 2007, and May 16, 2007, without holding a license, Thompson originated seven mortgage loans for Arkansas residents. All seven mortgage loan applications were accepted by First Arkansas.

4. Rodney Wallace was employed as a loan officer by First Arkansas during the relevant time period when the violations detailed in this order occurred. First Arkansas submitted a loan officer license application for Wallace to the Department on December 19, 2007. Wallace's loan officer license was ultimately approved and granted by the Department on January 8, 2008. However, on December 21, 2007, without holding a license, Wallace originated one mortgage loan for an Arkansas resident. The mortgage loan application was accepted by First Arkansas.

LEGAL AUTHORITY AND CONCLUSIONS OF LAW

5. The acts of First Arkansas as described above in ¶¶ 2-4 constitutes twelve violations of Ark. Code Ann. § 23-39-503(b). In addition, said acts warrant the entry of an appropriate civil penalty against Respondent First Arkansas, as authorized by Ark. Code Ann. § 23-39-514(b).

6. It is unlawful for any person, other than an exempt person, to act or attempt to act as a mortgage loan officer in Arkansas without first obtaining a license under the Act. Ark. Code Ann. § 23-39-503(b). Petty, Thompson, and Wallace acted outside of the scope of an “exempt person” as defined by Ark. Code Ann. § 23-39-502(9), and therefore, those actions as detailed in ¶¶ 2-4 were in violation of Ark. Code Ann. § 23-39-503(a).

7. The Act permits the informal disposition of an allegation by consent order. Ark. Code Ann. § 23-39-514(k). The acts and violations of First Arkansas as described in ¶¶ 2-4 warrant a consent order.

UNDERTAKING

In settlement of this matter, but without admitting or denying the findings of fact made above, First Arkansas agrees to pay a fine in the amount of \$3,000.00.

ORDER

By agreement and with the consent of the Staff and the authorized representatives of First Arkansas, it is hereby ordered that First Arkansas shall be responsible for the payment of a civil penalty in the amount of \$3,000.00 to the Arkansas Securities Department within thirty days of the entry of this Consent Order.

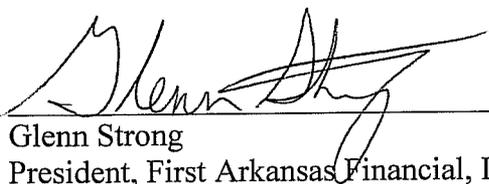
WITNESS MY HAND AND SEAL on this 17th day of March, 2010.



A. HEATH ABSHURE
Arkansas Securities Commissioner

March 17, 2010
DATE

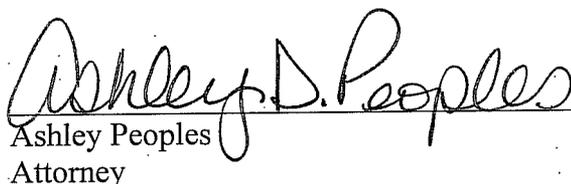
I hereby agree to the entry of this Consent Order, and consent to all terms, conditions, and orders contained therein, and waive any right to an appeal from this order.



Glenn Strong
President, First Arkansas Financial, Inc.

3-12-2010

Date



Ashley Peoples
Attorney

3-15-2010

Date



Karyn Tierney
Staff Attorney

3-17-2010

Date