

BEFORE THE ARKANSAS SECURITIES COMMISSIONER

CASE NO C-13-0093

ORDER NO C-13-0093-OR02

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ARKANSAS SECURITIES DEPT.

**IN THE MATTER OF:
JUDY J. HOOVER-DUGGAN**

RESPONDENT

CEASE AND DESIST ORDER

On November 18, 2013, the Staff of the Arkansas Securities Department ("Staff") filed a Request for a Cease and Desist Order ("Request"), stating that it has information and certain evidence in its possession that indicates Judy J. Hoover-Duggan ("Hoover-Duggan") has violated provisions of the Arkansas Fair Mortgage Lending Act ("FMLA"), Ark. Code Ann. §§ 23-39-501 through 23-39-518. The Arkansas Securities Commissioner ("Commissioner") has reviewed the Request, and based upon representations made therein, finds that:

FINDINGS OF FACT

The Staff's Request asserts the following representations of fact:

1. Hoover-Duggan is a resident of Percy, Arkansas. Hoover-Duggan was never licensed under the FMLA in any capacity with Wide Blue Sky, Inc. d/b/a Lincoln Mortgage, Inc. ("Lincoln Mortgage").

2. On December 27, 2006, Arkansas Securities Commissioner Michael Johnson entered a Cease and Desist Order against Hoover-Duggan. This Cease and Desist Order directed Hoover-Duggan to cease all mortgage brokering activities in Arkansas. Further, this order detailed that Hoover-Duggan had engaged in unlicensed mortgage brokering activity in violation of a Consent Order entered in February 2006.

3. In 2008 Hoover-Duggan applied for a mortgage loan officer license under the FMLA. At the time of Hoover-Duggan's loan officer license application, Hoover-Duggan was employed by Lincoln Mortgage. In 2009, prior to a scheduled hearing of a request filed by the Staff to deny Hoover-Duggan's loan officer license application, Hoover-Duggan withdrew her mortgage loan officer license application.

4. Between December 2011 and June 2012, Hoover-Duggan was employed as a loan processor by Lincoln Mortgage. While employed by Lincoln Mortgage, Hoover-Duggan was not licensed as a loan officer under the FMLA. However, Hoover-Duggan engaged in loan officer activity, including accepting mortgage loan applications and negotiating the terms of mortgage loans, with three Arkansas residents. The evidence supporting Hoover-Duggan's unlicensed mortgage loan officer activity includes statements by Arkansas borrowers and the contact logs from the lender.

CONCLUSIONS OF LAW

5. Ark. Code Ann. § 23-39-503(a) states that it is unlawful for any person located in Arkansas to act or attempt to act, directly or indirectly, as a loan officer without first obtaining a license from the Securities Commissioner under the FMLA. As detailed in paragraphs two through four, Hoover-Duggan violated Ark. Code Ann. § 23-39-503(a) when she acted as a loan officer with three Arkansas residents without first being licensed under the FMLA.

5. Ark. Code Ann. § 23-39-514(e) states that upon finding that any action of a person is in violation of the FMLA, the Commissioner may summarily order the person to cease and desist from the prohibited action. The conduct, acts, and practices of Hoover-Duggan threatens immediate and irreparable public harm. Based on the Findings of Fact and Conclusions of Law,

this Cease and Order is in the public interest and is appropriate pursuant to Ark. Code Ann. § 23-39-514(e).

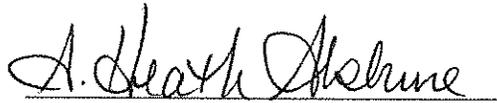
ORDER

It is therefore ordered that Hoover-Duggan immediately cease and desist from all mortgage broker, mortgage banker, mortgage servicer, or mortgage loan officer activity in the State of Arkansas, until such time as she is properly licensed under the FMLA.

A hearing on this Cease and Desist Order shall be held, if requested by Hoover-Duggan in writing within thirty days of the date of the entry of this Cease and Desist Order, or if otherwise ordered by the Commissioner. Such request should be addressed to the Commissioner and submitted to the following address:

Arkansas Securities Commissioner
201 East Markham, Suite 300
Little Rock, Arkansas 72201

Pursuant to Ark. Code Ann. § 23-39-514(e), if no hearing is requested and none is ordered by the Commissioner, this Cease and Desist Order will remain in effect until it is modified or vacated by the Commissioner.



A. Heath Abshure
Arkansas Securities Commissioner

November 21, 2013
Date