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ARKANSAS SECURITIES DEP

BEFORE THE ARKANSAS SECURITIES COMMISSIONER

CASE NO. C-11-0364

IN THE MATTER OF:

NOSARI HOME MORTGAGE,
INC, NMLS&R NO. 207052

C-11-0364-12-OR01

RESPONDENT

CONSENT ORDER

This Consent Order ("Order") is entered pursuant to the Arkansas Fair Mortgage Lending Act, Ark. Code Ann. §§ 23-39-501 through 23-39-518 ("Act"), the Rules of the Fair Mortgage Lending Act ("Rules"), promulgated under the Act, and the Arkansas Administrative Procedures Act ("Procedures"), codified at Ark. Code Ann. §§ 25-15-201 through 25-15-219 in accordance with an agreement by and between the Staff of the Arkansas Securities Department and Nosari Home Mortgage, Inc. ("Nosari") in full and final settlement of all claims that could be brought against Nosari by the Staff on the basis of the facts set forth herein.

Nosari has cooperated with the Department in its investigation by responding to inquiries, providing documentary evidence and other materials, and providing the Department with access to facts related to the investigation.

By signing below, Nosari admits to the jurisdiction of the Act and the Arkansas Securities Commissioner ("Commissioner"), waives its rights to a formal hearing and appeal, admits the findings of fact made herein, consents to the entry of this Order, and agrees to abide by its terms.

FINDINGS OF FACT

1. Nosari is a corporation organized and existing under the laws of Arkansas, with its principal place of business located at 1001 Highway 62 East, Mountain Home, Arkansas. Nosari has been licensed as a mortgage broker by the Arkansas Securities Department ("Department") since May 20, 1997. Nosari's mortgage broker license is scheduled to expire on December 31, 2012.

2. James Matt Fowler ("Fowler") was employed as a loan officer by Nosari during the relevant time period when the violations detailed in this order occurred. Fowler applied for a mortgage loan officer's license on August 25, 2010. However, due to a deficiency in the application Fowler was not granted a loan officer license until August 8, 2011. On November 4, 2010, November 9, 2010, and December 9, 2010, while unlicensed, Fowler originated three mortgage loans for Arkansas residents. These mortgage loan applications were accepted by Nosari.

3. Pursuant to Ark. Code Ann. §§ 23-39-514(b)(1)-(2), the Commissioner may impose a civil penalty against Nosari that shall not exceed \$10,000.00 for each violation under the Act.

LEGAL AUTHORITY AND CONCLUSIONS OF LAW

4. The acts by Nosari described in ¶ 2 constitutes three violations of Ark. Code Ann. § 23-39-503(c). In addition, said acts warrant the entry of an order under Ark. Code Ann. § 23-39-514(a)(2)(B) with the appropriate civil penalty against Nosari as authorized by Ark. Code Ann. § 23-39-514(b).

5. 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(c). Fowler acted outside the scope of an "exempt person" as defined by Ark. Code Ann. § 23-39-502(9), and therefore, the actions by Nosari of employing an unlicensed loan officer as detailed in ¶ 2 were in violation of Ark. Code Ann. § 23-39-503(c).

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

7. The Commissioner by order may impose a civil penalty that shall not exceed \$10,000.00 for each violation by a mortgage banker upon a licensee or 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 Act. Ark. Code Ann. § 23-39-514(b)(1) and (2).

ORDER

By agreement and with the consent of the Staff and the authorized representative of Nosari, it is hereby ordered that Nosari shall be responsible for the payment of a civil penalty in the amount of \$1,000.00 to the Arkansas Securities Department. The payment of the civil penalty shall be made by Nosari within thirty days of the entry of this Consent Order.

WITNESS MY HAND AND SEAL on this 11th day of January, 2012.



A. Heath Abshure
Arkansas Securities Commissioner

APPROVED AS TO FORM AND
CONTENT:

By:



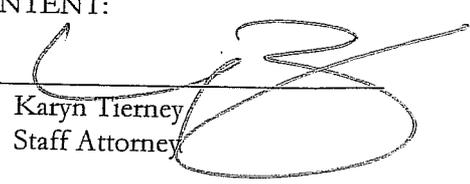
Chris Nosari
President; Nosari Mortgage
Inc.

Date:

1/9/2012

APPROVED AS TO FORM AND
CONTENT:

By:



Karyn Tierney
Staff Attorney

Date:

1-11-12