

**STATE OF AKANSAS  
SECURITIES DEPARTMENT**

---

IN THE MATTER OF

JAMES H. CARTER

---

ORDER NO. 02-017-M

**ORDER GRANTING  
STAY OF PROCEEDING**

An Order to Cease and Desist was entered on May 30, 2002. Respondent, James H. Carter, has timely submitted his Application for Hearing. On June 21, 2002, respondent submitted a Motion to Stay Further Proceedings. Respondent's motion is hereby granted.

Respondents right to a hearing shall be preserved until such time as the criminal investigation referenced in Respondent's Motion is concluded. The Order to Cease and Desist entered on May 30, 2002 shall remain in full force and effect pending a hearing. Respondent must notify the Securities Department within twenty (20) days of the date Respondent becomes aware that the criminal matter has been concluded, if a hearing is still desired. If a request for a hearing is not made within such time, then the May 30, 2002 Order to Cease and Desist shall become final.



MICHAEL B. JOHNSON  
SECURITIES COMMISSIONER

June 26, 2002  
DATE

**STATE OF ARKANSAS**  
**SECURITIES DEPARTMENT**

\_\_\_\_\_  
IN THE MATTER OF  
  
JAMES H. CARTER  
\_\_\_\_\_

CEASE AND DESIST  
ORDER

ORDER NO. 02-017-M

**ORDER TO**  
**CEASE AND DESIST**

This Order to Cease and Desist is entered pursuant to the Arkansas Mortgage Loan Company and Loan Broker Act, codified at Ark. Code Ann. § 23-39-101, et. seq. This Order references a previous order entered on April 3, 2002, that being ***In The Matter of First Home Loans, Inc., License No. 1274-01-R, Order Revoking Registration, Order No. 02-010-M*** (hereinafter referred to as "First Home Loans Order").

**I. FINDINGS OF FACT**

1. The Findings of Fact contained within the First Home Loans Order are adopted and incorporated herein, as if recited word for word.
2. Respondent has at all pertinent times acted as an agent for First Home Loans and has held himself out, at times, as Chief Executive Officer for the company.
3. The registration of First Home Loans with the Arkansas Securities Department was revoked on April 3, 2002, and the registration renewal application was denied. The First Home Loans Order revoking registration is incorporated herein, as if recited word for word, and is attached hereto as Exhibit "A".
4. As an agent for First Home Loans, Respondent has acted as a "person" within the definition of "loan broker", pursuant to Ark. Code Ann. § 28-29-102(3)(A).

5. First Home Loans is currently the subject of an investigation by the Federal Bureau of Investigation (F.B.I.). First Home Loans has made a timely application to the Securities Commissioner for a hearing on the order revoking registration. A hearing has been stayed by the Commissioner until the conclusion of the F.B.I. investigation.

## **II. CONCLUSIONS OF LAW**

6. The Conclusions of Law contained within the First Home Loans Order are adopted and incorporated herein, as if recited word for word.
7. Respondent, in his capacity as an agent for First Home Loans, is subject to the Arkansas Mortgage Loan Company and Loan Broker Act, Ark. Code Ann. § 23-39-101, et. seq.
8. The Securities Commissioner has the authority to summarily order Respondent to cease and desist from any act or practice in conflict with the Arkansas Mortgage Loan Company and Loan Broker Act.

## **III. OPINION**

9. The Opinion contained within the First Home Loans Order is adopted and incorporated herein, as if recited word for word.
10. It is the opinion of the Securities Commissioner that Respondent, as an agent for First Home Loans, has violated the Mortgage Loan Company and Loan Broker Act as referenced in the First Home Loans Order, specifically described in the Order at Paragraphs 23 through 31.
11. It is the opinion of the Securities Commissioner that Respondent should be ordered to cease and desist from the conduct described in Paragraphs 23 through 31 of the First Home Loans Order, and from any other act or practice in conflict with the Mortgage Loan Company and Loan Broker Act. Further,

Respondent should be ordered to notify the Securities Department immediately should he become engaged, employed by, or affiliated with any mortgage loan company or loan broker doing business within Arkansas.

**IV. ORDER**

WHEREFORE, Respondent is hereby ordered to cease and desist from the conduct described in Paragraphs 23 through 31 of the First Home Loans Order, and from any other act or practice in violation of the Mortgage Loan Company and Loan Broker Act.

It is further ordered that Respondent shall immediately notify the Securities Department in writing should he become engaged, employed by, or affiliated with any mortgage loan company or loan broker doing business within Arkansas.

Respondent may obtain a review of this order within sixty (60) days after the entry of the order, pursuant to Ark. Code Ann. § 23-39-206.

IT IS SO ORDERED.

WITNESS MY HAND AND SEAL THIS 29TH DAY OF MAY, 2002.

A handwritten signature in black ink, appearing to read "M. Johnson", written in a cursive style.

MICHAEL B. JOHNSON  
SECURITIES COMMISSIONER  
201 EAST MARKHAM, SUITE 300  
HERITAGE WEST BUILDING  
LITTLE ROCK, ARKANSAS 72201  
(501) 324-9260