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BEFORE THE ARKANSAS SECURITIES COMMISSIONER || MAY 23 AM 9:28

CASE NO. C-11-0271

ARKANSAS SECURITIES DEPT.

IN THE MATTER OF:

C-11-0271-11-OR01

LINCOLN MORTGAGE,
INC, NMLS&R NO. 2154

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 Lincoln Mortgage, Inc. (“Lincoln Mortgage”) in full and final settlement of all claims that could be brought against Lincoln Mortgage by the Staff on the basis of the facts set forth herein.

By signing below, Lincoln Mortgage 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 facts made herein, consents to the entry of this Order, and agrees to abide by its terms.

FINDINGS OF FACT

1. Lincoln Mortgage is a corporation organized and existing under the laws of Wyoming, with its principal place of business located at 4501 N. Highway 7, Suite E, Hot Springs Village, Arkansas. Lincoln Mortgage has been licensed as a mortgage broker by the Arkansas Securities Department (“Department”) since October 8, 2002. Lincoln Mortgage’s mortgage broker license is scheduled to expire on December 31, 2011.

2. Each mortgage broker licensed by the Department is required to file an annual report with the Department by March 31 of each year. Lincoln Mortgage failed to file its annual report by the deadline.

3. The Staff contacted Lincoln Mortgage via regular United States mail on January 31, 2011, through the NMLS&R on March 23, 2011, and by certified mail April 13, 2011, concerning the failure of Lincoln Mortgage to file its annual report of mortgage activity in Arkansas by the March 31, 2011. On May 10, 2011, Lincoln Mortgage filed its annual report of mortgage activity in Arkansas.

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

LEGAL AUTHORITY AND CONCLUSIONS OF LAW

5. The acts by Lincoln Mortgage described in ¶¶ 2-3 constitutes a violation of Ark. Code Ann. § 23-39-506(a)(2)(A), Rule 5006-2 of the Rules, and Order No. C-11-0217-11-OR01, titled In The Matter of: Arkansas Fair Mortgage Lending Act, Ark Code Ann. § 23-39-506(a)(2), which ordered that each mortgage broker licensed under the Act to file an annual report of mortgage activity directly with the Department by March 31, 2011. 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 Lincoln Mortgage as authorized by Ark. Code Ann. § 23-39-514(b).

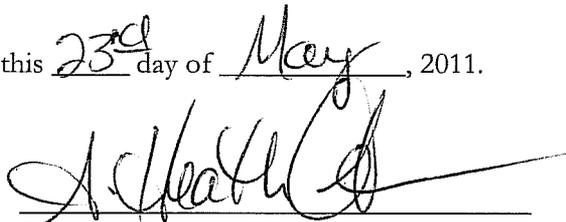
6. Pursuant to Ark. Code Ann. § 23-39-514(a)(1) the entry of this order is in the public interest.

7. The Commissioner by order may impose a civil penalty that shall not exceed \$10,000.00 for each violation by a mortgage broker 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 Lincoln Mortgage, it is hereby ordered that Lincoln Mortgage shall be responsible for the payment of a civil penalty in the amount of \$300.00 to the Arkansas Securities Department. The payment of the civil penalty shall be made by Lincoln Mortgage within thirty days of the entry of this Consent Order.

WITNESS MY HAND AND SEAL on this 23rd day of May, 2011.



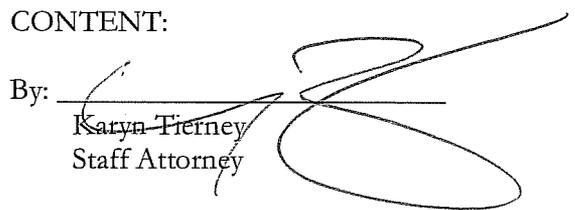
A. Heath Abshire
Arkansas Securities Commissioner

APPROVED AS TO FORM AND
CONTENT:

By: 

Gale Thomas Smith
President; Lincoln Mortgage, Inc.

APPROVED AS TO FORM AND
CONTENT:

By: 

Karyn Tierney
Staff Attorney

Date: 5/15/11

Date: May 23, 2011