

MIKE BEEBE  
GOVERNOR

A. HEATH ABSHURE  
COMMISSIONER



HERITAGE WEST BUILDING, SUITE 300  
201 EAST MARKHAM STREET  
LITTLE ROCK, ARKANSAS 72201-1692  
TELEPHONE: (501) 324-9260  
FACSIMILE: (501) 324-9268

## ARKANSAS SECURITIES DEPARTMENT

June 23, 2009

Alan W. Johnson, Jr.  
President  
LXE Software, Inc.  
768 Saint Paul Street  
Denver, CO 80206

RE: LXE Software, Inc.  
No Action Letter No. 09-43323-CS

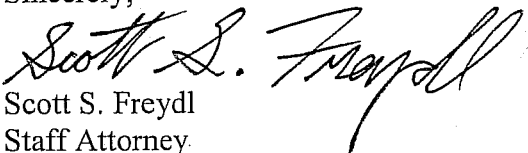
Dear Mr. Johnson:

The Arkansas Securities Department ("Department") is in receipt of your letter dated June 10, 2009, requesting that the Department issue a no action letter concerning the claim of exemption from the licensing requirements contained in the Arkansas Fair Mortgage Lending Act ("FMLA") for the LXE Software, Inc. ("LXE"). A copy of your request letter is attached for your reference.

Based on the specific facts contained in your request letter, at the present time the Staff of the Department will recommend that the Arkansas Securities Commissioner take no enforcement action against the LXE, if it does not obtain a license from the Department prior to engaging in the activities detailed in your request letter.

Please note that the position of the Staff of the Department is based solely upon the representations made in your request letter and applies only to the facts as set out therein. Different facts or circumstances might and often would require a different response from the Staff of the Department. The position of the Staff of the Department expressed in this letter only dealt with anticipated enforcement action by the Department. Further, the position of the Staff of the Department does not purport to be and should not be interpreted to be a legal opinion.

Sincerely,

  
Scott S. Freydl  
Staff Attorney

Attachment

June 10, 2009

RECEIVED

**LoanXEngine™**

768 Saint Paul St. Denver, CO 80206

Arkansas Securities Department  
Heritage West Building, Suite 300  
201 E. Markham Street  
Little Rock, Arkansas 72201

09 JUN 23 AM 7:57  
ARKANSAS SECURITIES DEPT.

Re: **Claim of Exemption to the Fair Mortgage Lending Act, Ark. Code Ann. §§ 23-39-501 through §§ 23-39-518**

Dear Sir/Madam:

I'm writing to formally request the Arkansas Securities Department to immediately issue an interpretative opinion to confirm the claim of said exemption of certain Arkansas Law and Mortgage Regulations to LXE Software, Inc (LXE).

### 1. MATERIAL FACTS

LXE is a leading provider of loan pricing, CRM and Lead Management software in the residential mortgage industry. LXE Software desires to offer a targeted mortgage loan advertising technology/service through internet accessible handheld, mobile phone and other applications to the public.

LXE (Company) would provide collection forms for website, handheld or mobile phone devices for a user to enter a loan criteria. Upon completing the form, the potential borrower's information would be sent into the Companies' technology, and analyzed, returning to the borrower a private list of advertised products and rates offered by multiple licensed mortgage brokers or banks. This private list of advertised rate/program information would be displayed specifically for the user. In addition to the display of advertised information, the Company would offer a service to facilitate contact to a lender. If desired, the user could click on a 'Contact Me' button and select one of the lenders or programs. If a user selects a lender to contact them, the user's contact and advertised program information would be sent to the lender.

As you evaluate this service for Mortgage Brokers and Banks, please consider the following LXE characteristics:

- ✓ LXE Software will not be collecting enough information to make a credit decision, nor does it make any credit decisions. (no SSN information collected)
- ✓ LXE Software does not collect enough information to originate a loan.
- ✓ LXE Software is not acting as an agent or broker and is not endorsing or recommending the products of any particular Lender.
- ✓ LXE Software is not a party to any loan transaction and does not receive any fees related to any transaction or referral to a Lender. There are no transfer fees, transmit fees, referral fees or CLO fees of any sort.
- ✓ LXE Software charges as an advertiser, in advance for advertisement impressions on a Cost Per Thousand (CMP) impression basis for the advertising system to display loan quotes.

LXE Software Inc.  
768 Saint Paul Street  
Denver, CO 80206

303.333.4373  
www.loanxengine.com

- ✓ There is no guarantee of securing any business from the display of advertised loan quotes.
- ✓ LXE Software is a software manufacturer with an advertisement technology, not a lender.
- ✓ Any information collected as part of the service will be encrypted, private and secured.
- ✓ The technology solution is designed as an 'online' extension of a newspaper advertising model.

Information collected by the form to display the targeted advertising quotes and facilitate the 'Contact Me' button includes:

1. Name
2. Email
3. Phone number
4. Zip code
5. Loan Amount
6. Home Value/Price
7. Cash-out
8. Transaction Type
9. Property Type
10. Occupancy Type
11. Loan Type
12. Buy down Points
13. Credit Profile (Outstanding, Very Good, Good, Reasonable, Fair, Needs Work, Need More Work)
14. Number of Results

Additional information collected to facilitate reminders for further advertising includes:

1. Watch for Rate
2. Send Daily Email
3. Target Rate

## 2. REVELANT LAW

LXE is requesting exception to Fair Mortgage Lending Act, Ark. Code Ann. §§ 23-39-501 through §§ 23-39-518 for the following reasons.

Like print advertising models, Licensed Mortgage Brokers or Banks would purchase advertising impressions in cost per thousand (CPM) and provide the Company proper information and rates. This information would be loaded into the Company's systems with the intent of displaying targeted quote advertisements to a user.

LXE does not "Make a mortgage loan" as defined under Ark. Code Ann. §§ 23-39-502 section 14.

LXE is not "Mortgage banker" as defined under Ark. Code Ann. §§ 23-39-502 section 15. LXE does not make mortgage loans.

LXE is not "Mortgage broker" as defined under Ark. Code Ann. §§ 23-39-502 section 15.

LXE does not engage in any activities as defined in this section.

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As outlined in Material Facts, LXE does not procure, or assists in procuring, a loan from a third party or any other person. LXE does not receive any fees related to any transaction or referral to a Licensed Mortgage Brokers or Banks. LXE intent is only to display print model similar advertisings in a format available to internet accessible handheld, mobile phone or other devices.

LXE is not a party to any loan transaction and does not receive any fees related to any transaction or referral to a Licensed Mortgage Brokers or Banks

LXE does not assist a borrower or prospective borrower in the selection of products or terms. LXE, as an advertiser, charges Licensed Mortgage Brokers or Banks in advance for advertisement impressions on a Cost Per Thousand (CMP) impression basis for the advertising system to display advertised products and rates.

### 3. INTERESTED PARTIES

LXE Software, Inc.  
768 Saint Paul Street  
Denver, CO 80206

Alan W Johnson Jr.  
768 Saint Paul Street  
Denver, CO 80206  
President

LXE has also enclosed, in addition to the original and one copy, a duplicate copy of page 1 of this letter. Please date stamp the copy and return it to the undersigned in the enclosed envelope.

LXE welcomes your questions or comments. I can be reached at 303.333.4373 or [alan@loanxengine.com](mailto:alan@loanxengine.com).

Thank you for your assistance in this regard.

LXE Software, Inc.

*Alan Johnson*

Alan W. Johnson Jr.  
President

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Denver, CO 80206

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[www.loanxengine.com](http://www.loanxengine.com)

RECEIVED  
09 MAY 15 AM 7:37  
ARKANSAS SECURITIES DEPT.

May 8, 2009

Arkansas Securities Department  
Heritage West Building, Suite 300  
201 E. Markham Street  
Little Rock, Arkansas 72201

Re: Applicability of Certain Arkansas Law and Mortgage Regulations to LXE Software, Inc.

Dear Sir/Madam:

I'm writing to formally request the Arkansas Securities Department to immediately issue an advisory opinion letter to confirm the applicability of certain Arkansas Law and Mortgage Regulations to LXE Software, Inc (LXE).

LXE Software is a leading provider of loan pricing, CRM and Lead Management software in the residential mortgage industry. LXE Software desires to offer a targeted mortgage loan advertising technology/service through web, handheld and mobile phone applications to the public.

Like a newspaper advertising model, Licensed Mortgage Brokers or Banks would purchase advertising impressions in cost per thousand (CPM) and provide the company proper information and rates. This information would be loaded into the Company's systems with the intent of displaying targeted loan quote advertisements to a user.

LXE Software would provide a collection forms for website, handheld or mobile phone devices for a user to enter a loan criteria. Upon completing the form, the potential borrower's information would be sent into the Companies' technology, and analyzed, returning to the borrower a private list of advertised products and rates offered by multiple licensed mortgage brokers or banks. This private list of advertised rate/program information would be displayed specifically for the user. In addition to the display of advertised information, the Company would offer a service to facilitate contact to a lender. If desired, the user could click on a 'Contact Me' button and select one of the lenders or programs. If a user selects for a lender to contact them, the user's contact and advertised program information would be sent to the lender.

As you evaluate this service for Mortgage Brokers and Banks, please consider the following LXE characteristics:

- ✓ LXE Software will not be collecting enough information to make a credit decision, nor does it make any credit decisions. (no SSN information collected)
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- ✓ LXE Software is not acting as an agent or broker and is not endorsing or recommending the products of any particular Lender.
- ✓ LXE Software is not a party to any loan transaction and does not receive any fees related to any transaction or referral to a Lender. There are no transfer fees, transmit fees, referral fees or CLO fees of any sort.
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Additional information collected to facilitate reminders for further advertising includes:

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2. Send Daily Email
3. Target Rate

LXE has also enclosed a duplicate copy of this transmittal letter. Please date stamp the copy and return it to the undersigned in the enclosed envelope.

LXE welcomes your questions or comments. I can be reached at 303.333.4373 or [alan@loanxengine.com](mailto:alan@loanxengine.com).

Thank you for your assistance in this regard.

LXE Software

*Alan Johnson*

Alan W. Johnson Jr.  
President

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