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BEFORE THE ARKANSAS SECURITIES COMMISSIONER

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CASE NO. C-11-0353

ARKANSAS SECURITIES DEPT.

IN THE MATTER OF:

ORDER NO. C-11-0353-11-OR01

BROWN BARK III, L.P.

RESPONDENT

CONSENT ORDER

This Consent Order is entered pursuant to the Arkansas Fair Mortgage Lending Act ("FMLA"), Ark. Code Ann. §§ 23-39-501 through 23-39-518, the Rules of the Fair Mortgage Lending Act ("Rules"), and the Arkansas Administrative Procedures Act, codified at Ark. Code Ann. §§ 25-15-101 through 25-15-219 in accordance with an agreement by and between the Staff of the Arkansas Securities Department ("Staff") and Respondent, Brown Bark III, L.P. ("Brown Bark") in full and final settlement of all claims that could be brought against Freedom Mortgage by the Staff on the basis of the facts set forth herein.

Brown Bark admits the jurisdiction of the FMLA and the Arkansas Securities Commissioner ("Commissioner"), waives its right to a formal hearing and appeal, and consents to the entry of this order and agrees to abide by its terms.

FINDINGS OF FACT

1. Brown Bark is a corporation organized under the laws of Delaware, with its principal office located at 4100 Greenbriar Drive, Suite 120, Stafford, Texas, 77477. Brown Bark is not currently licensed under the FMLA in any capacity.
2. Brown Bark holds itself out to the public as a mortgage servicer that provides mortgage servicing activity to Arkansas consumers.
3. Brown Bark engaged in the business of mortgage servicing in Arkansas without a license under the FMLA from on or about September 28, 2008, through the date of this Order.

4. From on or about September 28, 2008, through the date of this Order, Brown Bark acted as a mortgage servicer for approximately 93 residents of the State of Arkansas.

5. Brown Bark has fully cooperated with the Staff during the Staff's investigation of this matter. Furthermore, Brown Bark has filed an application for licensure as a mortgage servicer with the Department pursuant to the FMLA.

LEGAL AUTHORITY AND CONCLUSIONS OF LAW

6. Pursuant to Ark. Code Ann. § 23-39-501 through 23-39-518, the Commissioner has jurisdiction over Brown Bark and the subject matter of this proceeding.

7. Ark. Code Ann. § 23-39-503(b) states that it is unlawful for any person to act or attempt to act, directly or indirectly, as a mortgage servicer without first obtaining a license from the Commissioner under the FMLA. As detailed in paragraphs two through four the failure by Brown Bark to obtain a license in Arkansas prior to engaging in the business of mortgage servicing in Arkansas, or holding itself out as providing mortgage servicing business in Arkansas constitutes a violation of Ark. Code Ann. § 23-39-503(b).

8. In accordance with Ark. Code Ann. § 23-39-514(a)(1) the entry of this order is in the public interest.

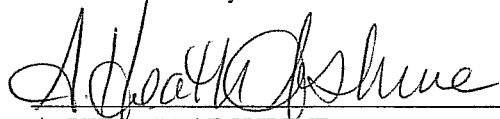
9. The Commissioner by order may impose a civil penalty that shall not exceed \$10,000.00 for each violation by a mortgage broker, mortgage banker, or mortgage servicer upon a licensee or partner, officer, director, member, manager, or other person occupying a similar status or performing a similar function on behalf of a licensee for any violation of the FMLA. Ark. Code Ann. § 23-39-514(b)(1) & (2). The acts and violations of the FMLA and Rules by Brown Bark as detailed in paragraphs two through four warrant the entry of appropriate civil penalties against Brown Bark as authorized by Ark. Code Ann. § 23-29-514(b)(1) & (2).

10. Pursuant to Ark. Code Ann. § 23-39-514(l) the FMLA permits the informal disposition of an allegation by consent order. The acts and violations of the FMLA by Brown Bark as detailed in paragraphs two through four warrants the entry of a consent order.


ORDER

By agreement and with the consent of the Staff and the authorized representative of Brown Bark, it is hereby ordered that Brown Bark shall be responsible for the payment of a civil penalty in the amount of \$20,000.00 to the Arkansas Securities Department within thirty (30) calendar days of the entry of this Consent Order.

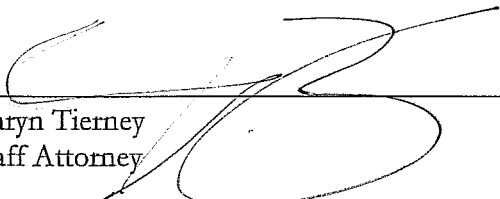
WITNESS MY HAND AND SEAL on this 7th day of November, 2011.


A. HEATH ABSHURE
Arkansas Securities Commissioner

I hereby agree to the entry of this Consent Order, and consent to all terms, conditions, and orders contained therein, and waive any right to an appeal from this order.


Brad A. Hrebenar
Senior Vice-President of NC Bark LLC, General
Partner of Brown Bark III, L.P.

October 31st, 2011
Date


Karyn Tierney
Staff Attorney

November 2, 2011
Date