

**STATE OF ARKANSAS
SECURITIES DEPARTMENT**

IN THE MATTER OF

ORDER NO. C- 04-054-04-CD01

**COACHELLA VALLEY MORTGAGE
CENTER, d/b/a FINANCIAL HERITAGE;
and DIANA GUCCIARDO, d/b/a FINANCIAL
HERITAGE and d/b/a SAFE MONEY
MANAGEMENT**

RESPONDENTS

CEASE AND DESIST ORDER

The staff of the Arkansas Securities Department, (hereinafter referred to as the “Securities Department staff”), has obtained evidence indicating that a company doing business as “Financial Heritage” has publicized itself as having the ability to make mortgage loans in Arkansas, and more specifically, reverse mortgage loans. Diana Gucciardo serves as a representative of Financial Heritage, and also has been known to do business as “Safe Money Management” in Mountain Home, Arkansas. (For purposes of this Order, Financial Heritage, Diana Gucciardo, and Safe Money Management are hereinafter collectively referred to as “Respondents”). The evidence indicates that Respondents have recently advertised for and solicited Arkansas consumers for the purpose of making mortgage loans,

and more specifically, reverse mortgage loans, without having been duly registered or otherwise authorized to engage in the practice of making mortgage loans in Arkansas, in violation of the Fair Mortgage Lending Act (hereinafter referred to as “FMLA”).

FINDINGS OF FACT

1. Financial Heritage is a mortgage loan company whose home office is located at 9275 Sky Park Court, Suite 125 in San Diego, California. According to its partners, John Myers and Ed Nelson, the company has been in business since 1989.
2. The records of the Arkansas Secretary of State reflect that the registered agent for Financial Heritage in Arkansas is Diana Gucciardo, whose address is 624 Highway 62 East, Suite H, Mountain Home, Arkansas.
3. Diana Gucciardo has also been known to do business as “Safe Money Management”.
4. Securities Department Staff has represented that Respondents have advertised for and solicited Arkansas consumers for the purpose of making mortgage loans secured by real property located in Arkansas.
5. Securities Department staff represents that at least one (1) Arkansas consumer, age 76, has been solicited for the purpose of taking out a “reverse mortgage loan” secured by real property near Mountain Home, Arkansas.

6. One known marketing strategy employed by Respondents includes an invitation for a “free dinner” at a local restaurant in the Mountain Home area. The product offered by Respondents is a “reverse mortgage loan” secured by real property. Other financial opportunities may be promoted in the presentation as well, the precise nature of which is currently under review by Securities Department staff.
7. The records of the Arkansas Securities Department reflect that Respondents have not registered or attempted to register as a mortgage loan broker, mortgage loan servicer, or mortgage loan banker with the Arkansas Securities Commissioner.
8. It is unlawful to operate as a mortgage loan broker, mortgage loan servicer, or mortgage loan banker in Arkansas without first having obtained a registration certificate from the Arkansas Securities Commissioner.

CONCLUSIONS OF LAW

9. The Arkansas Securities Commissioner (“hereinafter referred to as “the Commissioner”) exercises general supervision and control over mortgage loan companies and loan officers, including the licensing thereof, in Arkansas. **Ark. Code Ann. § 23-39-501**, *et seq.* The Commissioner’s duties include maintaining lists of all licensees and their respective loan officers.

Ark Code Ann. § 23-39-501(b). The licensing information contained therein is available for public inspection. **Ark. Code Ann. § 23-39-512.**

10. It is unlawful for any person, other than an exempt person, to act or attempt to act, directly or indirectly, as a mortgage broker, mortgage banker, loan officer, or mortgage servicer with any person located in Arkansas without first obtaining a license from the Commissioner. **Ark. Code Ann. § 23-39-503(b).**
11. Upon finding that any action of a person is in violation of the Arkansas FMLA, the Commissioner may summarily order the person to cease and desist from the prohibited action. **Ark. Code Ann. § 23-39-514(b)(1).**

ORDER

WHEREFORE, Respondents are hereby ordered to cease and desist from transacting the business of a mortgage loan company or loan broker, or otherwise engaging in mortgage loan or loan brokering activities in Arkansas. Failure to comply with this Cease and Desist Order could subject Respondents to a civil penalty of up to Twenty-Five Thousand dollars (\$25,000.00) per violation. **Ark. Code Ann. § 23-39-514(b)(3)(A).** In addition to the potential civil penalties, Respondents are admonished that willful violation of the registration provisions of FMLA is a Class B felony. **Ark. Code Ann. § 23-39-516(b)(A).**

Respondents may contest this Order by delivering a written request for a hearing to the Securities Commissioner within 30 days from the date that Respondent receives notice of this Order. **Ark. Code Ann. § 23-39-514(c)(3)**. If Respondents do not request a hearing, and the Commissioner does not order a hearing, this order will remain in effect until it is nullified or vacated by the Commissioner. **Ark. Code Ann. § 23-39-514(c)(5)**.

IT IS SO ORDERED.



Michael B. Johnson
Arkansas Securities Commissioner

March 16, 2004
Date