

**STATE OF ARKANSAS
SECURITIES DEPARTMENT**

IN THE MATTER OF

ORDER NO. C-07-013-07-CD01

LICENSE NO. 29639

AMERICAN DREAM MORTGAGE, LLC

RESPONDENT

ORDER SUSPENDING LICENSE

On this date before the Arkansas Securities Commissioner (hereinafter referred to as the "Commissioner") is the matter of the above referenced firm (hereinafter referred to as "Respondent"), and the issue of its compliance with the Arkansas Fair Mortgage Lending Act (hereinafter referred to as the "FMLA"). Securities Department Staff (hereinafter referred to as the "Staff") allege that Respondent has failed to comply with the surety bonding requirements of the FMLA. Based upon the records on file with the Commissioner, and the representations of Staff, the Commissioner finds:

FINDINGS OF FACT

1. The FMLA became effective on January 1, 2004. A requirement of the FMLA includes maintenance of a surety bond at the Arkansas Securities Department (hereinafter referred to as "Department") of fifty thousand dollars (\$50,000.00) in the case of mortgage brokerage firms, and one-hundred thousand dollars (\$100,000) in the case of mortgage banking and mortgage servicing firms.

2. The files on record with the Commissioner reflect that Respondent is a licensed mortgage broker. The surety bond on file (10043552) in the amount of fifty thousand dollars (\$50,000.00) was cancelled effective April 6, 2007.
3. Respondent has been provided by the Staff with adequate and sufficient notice of the impending cancellation of the surety bond.
4. Respondent has been provided with adequate and sufficient notice of the Staff's intent to seek suspension of its license due to its failure to comply with the surety bonding requirement.

APPLICABLE CODE PROVISIONS

5. Ark. Code Ann. § 23-39-514 provides that the Commissioner is charged with the duty of issuing licenses for mortgage brokers under the FMLA and regulating the conduct of such persons..
6. Ark. Code Ann. § 23-39-514 (c) (1) provides that the Commissioner may, by order, summarily postpone or suspend the license of a licensee pending final determination of any proceeding under this section.
7. Ark. Code Ann. § 23-39-505 (f) (1) provides that each mortgage broker shall post a surety bond in the amount of fifty thousand dollars (\$50,000.00).

CONCLUSIONS OF LAW

8. This matter has been properly brought before the Commissioner.

9. The FMLA requires each mortgage broker firm doing business in Arkansas to post a surety bond with the Commissioner in the amount of fifty thousand dollars (\$50,000.00). Ark. Code Ann. § 23-39-505 (f) (1).
10. Respondent is a licensed mortgage broker with the Department. Respondent is required to maintain a surety bond in the amount of fifty thousand dollars (\$50,000.00) at all times. Ark. Code Ann. § 23-39-505 (f) (1).
11. Respondent's previous surety bond on file with the Commissioner expired as of April 6, 2007. Respondent has not provided a new surety bond or written confirmation that the surety bond on file has been reinstated.
12. The Commissioner is authorized to suspend the license of a licensee who has violated or failed to comply with any provision of the FMLA. Ark. Code Ann. § 23-39-514 (c) (1).

ORDER

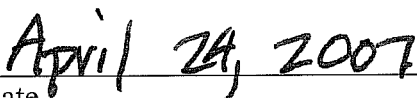
IT IS HEREBY ORDERED that the license of the Respondent is hereby suspended, effective immediately, until such time as Respondent has complied with the surety bonding requirement of the FMLA. Respondent is hereby ordered to Cease and Desist from all mortgage loan brokering activities in Arkansas until such time as compliance with the surety bonding requirement of the FMLA is achieved. Failure to comply with the Cease and Desist provision of this order could subject the Respondent to a civil penalty of up to twenty-five thousand dollars (\$25,000.00) per violation. Ark. Code Ann. § 23-39-514 (d)(3)(A).

Respondent may request a hearing before the Commissioner in accordance with Ark. Code Ann. § 23-39-514. Any request for a hearing must be made in writing and delivered to the Commissioner within thirty (30) days from the date on which notice of the order is sent by the Commissioner to the addresses mentioned above by first class mail, postage prepaid. If the respondents do not request a hearing and the Commissioner does not order a hearing, the order will remain in effect until it is modified or vacated by the Commissioner.

IT IS SO ORDERED:



Michael B. Johnson
Arkansas Securities Commissioner



Date