

BEFORE THE ARKANSAS SECURITIES COMMISSIONER

CASE NO. C-09-047

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ARKANSAS SECURITIES DEPT.

IN THE MATTER OF:

SIGNATURE LENDING OF ARKANSAS, INC.

LICENSE NO. 21419

RESPONDENT

**REQUEST FOR REVOCATION OR SUSPENSION OF LICENSE  
AND HEARING**

Comes now the Staff of the Arkansas Securities Department (“Staff”), by and through its attorney, Scott Freydl, and for its Request for Revocation or Suspension of License and Hearing, states:

**Administrative Authority**

This matter concerns the revocation or suspension of license to conduct business as a mortgage broker pursuant to the Arkansas Fair Mortgage Lending Act (“FMLA”), Ark. Code Ann. §§ 23-39-501 through 23-39-518, and is therefore properly before the Arkansas Securities Commissioner (“Commissioner”).

**Respondents**

1. Signature Lending of Arkansas, Inc. (“Signature”) is a mortgage broker company located in Hot Springs, Arkansas, license number 21419. Signature is currently licensed as a mortgage broker with the Arkansas Securities Department (“Department”). Signature’s license as a mortgage broker is scheduled to expire on December 31, 2009.

**Facts to be Presented by Securities Department Staff**  
**Failure to file financial statement**

2. The fiscal year of Signature ended on December 31, 2008. Therefore, Signature was required to file its financial statement with the Department by March 31, 2009.

3. The Staff contacted Signature by telephone on June 9, 2009, June 22, 2009, and July 10, 2009, concerning the failure of Signature to file its financial statement by the March 31, 2009, deadline. A representative of Signature stated, to a member of the Staff, that Signature's financial statement would be faxed to the Department on July 10, 2009. As of the date of the filing of this Request, Signature has failed and refused to provide its required financial statement to the Department.

4. Pursuant to Ark. Code Ann. §§ 23-39-514(a)(1) and (a)(2)(B) the Commissioner should suspend or revoke the Arkansas mortgage broker license of Signature for failing and refusing to file its financial statement with the Department in violation of Ark. Code Ann. § 23-39-505(g)(2), Rule 5005-1 of the Fair Mortgage Lending Rules ("Rules") and Commissioner's Order number C-08-068-08-OR01. Specifically, Signature should have filed its financial statement with the Department no later than March 31, 2009. In addition, the Commissioner should impose a civil penalty against Signature that shall not exceed \$10,000.00 for each such violation under § 23-39-514(b)(1)-(2).

**Legal Authority**

5. The Arkansas FMLA states that each applicant for licensure as a mortgage broker shall file with the Commissioner as part of his, her or its application financial statements that

reflect that the applicant has a net worth of at least twenty-five thousand dollars. Ark. Code Ann. § 23-39-505(g)(2).

6. Rule 5005-1 of the Rules states each applicant for initial licensure or renewal of a license as a mortgage broker shall file a financial statement with the Commissioner.

7. By Order number C-08-068-08-OR01, titled In The Matter of Arkansas Fair Mortgage Lending Act, Ark. Code Ann. §§ 23-39-517(a) through (c), and §§ 23-39-518(a) through (e) the Commissioner ordered that mortgage brokers must file a financial statement directly with the Arkansas Securities Department or through the Nationwide Mortgage Licensing System within ninety days of the end of the mortgage broker's fiscal year.

8. The Commissioner may by order deny, suspend, revoke, or refuse to issue or renew a license of a licensee or applicant if the Commissioner finds that the order is in the public interest and the licensee, or any loan officer or managing principal has violated or failed to comply with any provision of the FMLA. Ark. Code Ann. §§ 23-39-514(a)(1) and (a)(2)(B).

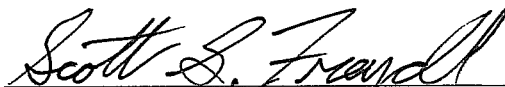
9. The Commissioner by order may impose a civil penalty that shall not exceed \$10,000.00 for each violation by a mortgage broker upon a licensee or any partner, officer, director, member, manager, or other person occupying a similar status or performing a similar function on behalf of a licensee for any violation of the FMLA. Ark. Code Ann. §§ 23-39-514(b)(1) and (2).

### Summary

For the reasons set forth herein, the Staff requests that a hearing be held to consider whether the Arkansas mortgage broker license of Signature should be suspended or revoked, as well as the imposition of a reasonable fine, for Signature's failure and refusal to file its financial

statement with the Department in violation of Ark. Code Ann. § 23-39-505(g)(2) ), Rule 5005-1 of the Rules and Commissioner's Order number C-08-068-08-OR01.

Respectfully Submitted,



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7/15/09

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Date