

BEFORE THE ARKANSAS SECURITIES COMMISSIONER

ASD CASE NO. C-09-052

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ARKANSAS SECURITIES DEPT.

IN THE MATTER OF:

ORDER NO. C-09-052-09-CO01

**GATEWAY MORTGAGE
GROUP, LLC
LICENSE NO. 11976**

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 Arkansas Securities Commissioner (“Rules”) promulgated under the FMLA 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 Gateway Mortgage Group, LLC (“Gateway”) in full and final settlement of all claims that could be brought against Gateway by the Staff on the basis of the facts set forth herein.

Gateway admits the jurisdiction of the FMLA and the Arkansas Securities Commissioner (“Commissioner”), waives its right to a formal hearing and, without admitting or denying the findings of facts made herein, consents to the entry of this order and agrees to abide by its terms.

FINDINGS OF FACT

1. From November 16, 2006, until October 23, 2008, fourteen loan officers employed by the Respondent, Gateway, originated twenty-one loans for Arkansas residents without being properly licensed as loan officers by the Arkansas Securities Department (“Department”). Additionally, four of these loans were originated from an un-licensed branch location. During

this time period Gateway was aware and approved of the fourteen employees originating the twenty-one loans, four of which were originated at an unlicensed location.

2. Tony Berry ("Berry") was employed as a loan officer by Gateway during the relevant time period when the violations detailed in this order occurred. Gateway submitted a loan officer license application for Berry to the Department on August 23, 2007. Berry's loan officer license was ultimately approved and granted by the Department on August 30, 2007. However, on August 7, 2007, while unlicensed, Berry originated a mortgage loan for an Arkansas resident. This mortgage loan application was accepted by Gateway.

3. Jeremy Crites ("Crites") was employed as a loan officer by Gateway during the relevant time period when the violations detailed in this order occurred. According to the Department's records, Crites was never granted a loan officer license by the Department for his employment with Gateway, nor was a loan officer application filed on his behalf. However, on July 23, 2007, Crites originated a mortgage loan for an Arkansas resident. Furthermore, the mortgage loan application was accepted at a branch office of Gateway located at 615 North Walton Blvd, Suite F, Bentonville, Arkansas. According to the Department records, this branch has never been licensed by the Department, nor has a branch application been filed for this location. This mortgage loan application was accepted by Gateway.

4. Brandon Davis ("Davis") was employed as a loan officer by Gateway during the relevant time period when the violations detailed in this order occurred. According to the Department's records, Davis was never granted a loan officer license by the Department for his employment with Gateway, nor was a loan officer application filed on his behalf. However, on August 28, 2007, Davis originated a mortgage loan for an Arkansas resident. This mortgage loan application was accepted by Gateway.

5. Jason Ethridge (“Ethridge”) was employed as a loan officer by Gateway during the relevant time period when the violations detailed in this order occurred. According to the Department’s records, Ethridge was never granted a loan officer license by the Department for his employment with Gateway, nor was a loan officer application filed on his behalf. However, on December 4, 2006, Ethridge originated a mortgage loan for an Arkansas resident. This mortgage loan application was accepted by Gateway.

6. Brittany Grant (“Grant”) was employed as a loan officer by Gateway during the relevant time period when the violations detailed in this order occurred. Gateway submitted a loan officer license application for Grant to the Department on March 12, 2007. Grant’s loan officer license was ultimately approved and granted by the Department on July 31, 2007. However, on November 15, 2006, and February 28, 2007, while unlicensed, Grant originated two mortgage loans for Arkansas residents. These mortgage loan applications were accepted by Gateway.

7. Richard Haug (“Haug”) was employed as a loan officer by Gateway during the relevant time period when the violations detailed in this order occurred. According to the Department’s records, Hung was never granted a loan officer license by the Department for his employment with Gateway, nor was a loan officer application filed on his behalf. However, on January 29, 2007, Haug originated a mortgage loan for an Arkansas resident. This mortgage loan application was accepted by Gateway.

8. Edmund Langlais (“Langlais”) was employed as a loan officer by Gateway during the relevant time period when the violations detailed in this order occurred. Gateway submitted a loan officer application for Langlais to the Department on March 27, 2007. Langlais’ loan officer license was ultimately approved and granted by the Department on April 19, 2007.

However, on March 5, 2007 and March 21, 2007, while unlicensed, Langlais originated two mortgage loans for Arkansas residents. These mortgage loan applications were accepted by Gateway.

9. Pablo Madrid ("Madrid") was employed as a loan officer by Gateway during the relevant time period when the violations detailed in this order occurred. Madrid was licensed by the Department as a loan officer for Gateway from October 22, 2004, until November 1, 2005. Madrid's license expired due to no renewal application being filed with the Department. On September 5, 2007; October 11, 2007; April 8, 2008; April 14, 2008; April 16, 2008; and March 26, 2008, while unlicensed, Madrid originated six mortgage loans for Arkansas residents. These mortgage loan applications were accepted by Gateway. Furthermore, one mortgage loan application was accepted at a branch office of Gateway located at 6216 South Lewis Avenue, Suite 185, Tulsa, Oklahoma. According to the Department records, this branch has never been licensed by the Department, nor has a branch application been filed for this location.

10. Richard Reely ("Reely") was employed as a loan officer by Gateway during the relevant time period when the violations detailed in this order occurred. Reely was licensed by the Department as a loan officer for Gateway from January 3, 2006, until January 31, 2007. Reely's license expired due to no renewal application being filed with the Department. Reely was licensed by the Department for a second time from April 10, 2007, until November 14, 2007. However, on March 20, 2007, while unlicensed, Reely originated a mortgage loan for an Arkansas resident. This mortgage loan application was accepted by Gateway.

11. Deborah Freeman ("Freeman") was employed as a loan officer by Gateway during the relevant time period when the violations detailed in this order occurred. Freeman was licensed by the Department as a loan officer for Gateway from October 26, 2005, until

November 1, 2006. Freeman's license expired due to no renewal application being filed with the Department. However, on April 11, 2008, while unlicensed, Freeman originated a mortgage loan for an Arkansas resident. Furthermore, the mortgage loan application was accepted at a branch office of Gateway located at 2854 East 51st Street, Tulsa, Oklahoma. According to the Department records, this branch has never been licensed by the Department, nor has a branch application been filed for this location. This mortgage loan application was accepted by Gateway.

12. John Fulbright ("Fulbright") was employed as a loan officer by Gateway during the relevant time period when the violations detailed in this order occurred. According to the Department's records, Fulbright was never granted a loan officer license by the Department for his employment with Gateway, nor was a loan officer application filed on his behalf. However, on April 23, 2008, Fulbright originated a mortgage loan for an Arkansas resident. Furthermore, the mortgage loan application was accepted at a branch office of Gateway located at 6910 East 14th Street, Tulsa, Oklahoma. According to the Department records, this branch has never been licensed by the Department, nor has a branch application been filed for this location. This mortgage loan was accepted by Gateway.

13. Lisa Johnson ("Johnson") was employed as a loan officer by Gateway during the relevant time period when the violations detailed in this order occurred. According to the Department's records, Johnson was never granted a loan officer license by the Department for his employment with Gateway, nor was a loan officer application filed on his behalf. However, on October 23, 2008, Johnson originated a mortgage loan for an Arkansas resident. This mortgage loan was accepted by Gateway.

14. Oni Hakeem (“Hakeem”) was employed as a loan officer by Gateway during the relevant time period when the violations detailed in this order occurred. Hakeem was licensed by the Department as a loan officer for Gateway from April 30, 2007, until February 8, 2008; Hakeem’s license expired, due to no renewal application being submitted to the Department. Hakeem was subsequently re-licensed from June 23, 2008, until present. However, on March 5, 2008, while unlicensed, Hakeem originated a mortgage loan for an Arkansas resident. This mortgage loan was accepted by Gateway.

15. Roger Day (“Day”) was employed as a loan officer by Gateway during the relevant time period when the violations detailed in this order occurred. According to the Department’s records, Davis was never granted a loan officer license by the Department for his employment with Gateway, nor was a loan officer application filed on his behalf. However, on December 27, 2007, Day originated a mortgage loan for an Arkansas resident. This mortgage loan was accepted by Gateway.

CONCLUSIONS OF LAW

5. The acts of Gateway’s loan officers and Gateway as described above in paragraphs one through fifteen constitute twenty-one separate violations of Ark. Code Ann. § 23-39-503(a), fourteen separate violations of Ark. Code Ann. § 23-39-503(c), and four separate violations of Ark. Code Ann. § 23-39-505(i). In addition, said acts warrant the entry of an appropriate civil penalty against Respondent Gateway, as authorized by Ark. Code Ann. § 23-39-514(b).

6. The entry of this order is in the public interest.

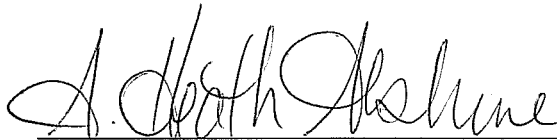
7. The Commissioner by order may impose a civil penalty that shall not exceed \$10,000.00 for each violation by a mortgage broker or loan officer upon a licensee or any partner, officer, director, member, manager, or other person occupying a similar status or

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).

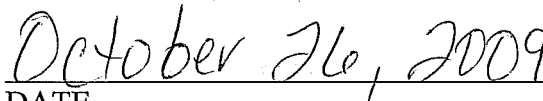
ORDER

By agreement and with the consent of the Staff and the authorized representatives of the Respondent, Gateway, it is hereby ordered that Gateway shall be responsible for the payment of a civil penalty in the amount of \$15,000.00 to the Arkansas Securities Department. The payment of said civil penalty shall be made by Gateway to the Arkansas Securities Department within thirty (30) calendar days of the date of this order.

IT IS SO ORDERED.




A. HEATH ABSHURE
Arkansas Securities Commissioner




DATE

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.



Steve Peters
Chief Operating Officer
Gateway Mortgage Group, LLC

10-22-09
Date



Karyn Tierney
Staff Attorney,
Arkansas Securities Department

October 26, 2009

Date