

BEFORE THE ARKANSAS SECURITIES COMMISSIONER

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CASE NO. C-09-057

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ARKANSAS SECURITIES DEPT.

IN THE MATTER OF:

**TAYLOR, BEAN & WHITAKER
MORTGAGE CORP.**

RESPONDENT

**REQUEST FOR REVOCATION OF LICENSE AND FOR TEMPORARY SUSPENSION
OF LICENSE PENDING A HEARING**

Comes now the Staff of the Arkansas Securities Department (“Staff”), by and through its attorney, Karyn Tierney, and for its Request for Revocation of License and for Temporary Suspension of License Pending Hearing, states:

Administrative Authority

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

Respondent

1. Taylor, Bean, & Whitaker Mortgage Corp. (“TB&W”) is a corporation organized and existing under the laws of Florida, with its principal place of business located at 315 NE 14th Street, Ocala, Florida 34470. TB&W has been licensed with the Arkansas Securities Department since October 23, 2000, as a mortgage banker and mortgage servicer. TB&W license is scheduled to expire on December 31, 2009.

Findings of Fact

1. On or about August 5, 2009, the Staff was made aware of a Notice of Administrative Action, Immediate Suspension issued by David H. Stevens, Assistant Secretary for Housing, Federal Housing Commissioner, Chairman Mortgagee Review Board against TB&W immediately suspending the HUD/FHA origination and underwriting approval for TB&W. A copy of said Notice of Administrative Action, Immediate Suspension is attached as “Exhibit A”.
2. On or about August 5, 2009, the Staff was made aware of a news release issued by the Department of Housing and Urban Development (“HUD”) that the Federal Housing Administration (“FHA”) had suspended TB&W from underwriting and originating loans insured by the FHA, and terminated TB&W as an issuer of mortgage backed securities to the Government National Mortgage Association (“GNMA”). The news release is attached as “Exhibit B.”
3. The press release further stated that the suspension was as a result of TB&W’s failure to comply with HUD regulations regarding the submission of financial statements, the submission of a false certification or misleading information to GNMA.
4. TB&W issued a press release on August 5, 2009, stating the effective immediately TB&W was ceasing all mortgage loan origination operations, and that TB&W would not close or fund the mortgage loans currently in the pipeline. A copy of TBW’s press release is attached as “Exhibit C.”
5. On or about August 6, 2009, Steven L. Antonakes, Commissioner of Banks with the Commonwealth of Massachusetts issued a Findings of Fact and Temporary

Cease and Desist Order against TB&W. A copy of said Order is attached as “Exhibit D”.

6. On or about August 6, 2009, Ryan Walsh, Administrator of the Department of Banking, Bureau of Compliance, Investigation and Licensing with the Commonwealth of Pennsylvania issued an Order against TB&W. A copy of said Order is attached as “Exhibit E”.
7. On or about August 6, 2009, Neil N. Jasey, Commissioner of the New Jersey Department of Banking and Insurance issued an Order to Cease and Desist and to Take Certain Actions and Order to Show Cause Why Licenses Should not be Revoked, Certain Persons Barred and Penalties Imposed against TB&W. A copy of said Order is attached as “Exhibit F”.
8. On or about August 7, 2009, John S. Allison, Commissioner of the Mississippi Department of Banking and Consumer Finance issued an Order to Cease and Desist Certain Activities and to take Certain Actions against TB&W. A copy of said Order is attached as “Exhibit G”.
9. On or about August 7, 2009, Linda B. Charity, Acting Commissioner of the Florida Office of Financial Regulation issued an Emergency Order to Cease and Desist and Notice of Rights against TB&W. A copy of said Order is attached as “Exhibit H”.
10. On or about August 10, 2009, Joseph A. Smith, Jr., the North Carolina Commissioner of Banks issued a Cease and Desist Order against TB&W. A copy of said Order is attached as “Exhibit I”.

11. The Staff has evidence that TB&W has unfunded mortgage loans for at least seven Arkansas consumers. By failing to disburse funds in accordance with a written commitment to make a mortgage loan, said seven Arkansas consumers, as well as other possible Arkansas consumers, will be harmed.

Legal Authority

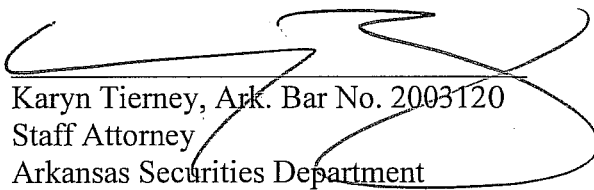
12. Each person licensed under the Act has the duty to act with reasonable skill, care, and diligence. Ark. Code Ann. § 23-39-510(3).
13. The Commissioner may by order deny, suspend, revoke, or refuse to issue or renew a license of a licensee if the Commissioner finds that the order is in the public interest and the licensee is subject of an order, by any other state or federal authority within the last five years. Ark. Code Ann. § 23-39-514(a)(1) and (a)(2)(F).
14. The Commissioner may summarily suspend the license of a licensee pending final determination of any proceeding under the Act. Ark. Code Ann. § 23-39-514(c)(1).

Requested Relief

For the reason set forth herein, the Staff requests the following: that a hearing be held to consider whether the license of TB&W should be revoked, that a separate order be entered summarily suspending the license of TB&W pending a hearing on this Request for Revocation of License and for Temporary Suspension of License Pending Hearing, that TB&W be ordered to submit detailed reports on the mortgage loans currently in TB&W's pipeline, and submit weekly

updates on the status of said mortgage loans in TB&W's pipeline, and all other relief to which the Staff may be entitled.

Respectfully Submitted,



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August 10, 2009
Date