

**BEFORE THE ARKANSAS SECURITIES COMMISSIONER
CASE NO C-10-049
ORDER NO C-10-049-10-OI01**

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ARKANSAS SECURITIES DEPT.

**IN THE MATTER OF:
TOM D. FLORES**

RESPONDENT

REQUEST FOR CEASE AND DESIST ORDER

The Staff of the Arkansas Securities Department (“Staff”) received information and has in its possession certain evidence that indicates Tom D. Flores has violated provisions of the Arkansas Fair Mortgage Lending Act (“FMLA”), Ark. Code Ann. §§ 23-39-501 through 23-39-518.

Administrative Authority

1. This matter is brought in connection with violations of sections of the Arkansas FMLA and is therefore properly before the Arkansas Securities Commissioner (“Commissioner”) in accordance with Ark. Code Ann. § 23-39-514(d).

Respondent

2. Tom D. Flores (“Flores”) is an individual person believed by the Staff to be living in Fayetteville, Arkansas. Flores has never been licensed by the Arkansas Securities Department (“Department”) as a mortgage broker or loan officer.

Facts Supporting Request for Cease and Desist Order

3. On or about January 11, 2010, Arkansas resident one (“AR1”) received a solicitation letter and “Mortgage Evaluation Form” from Flores. A copy of Flores’ solicitation letter and

form are attached hereto as "Exhibit 1 and 2". In his letter Flores offers to stop or suspend the sale (of AR1's home) and present several options to AR1 and AR1's mortgage company to give AR1 more time and get AR1 back on AR1's feet. In addition, the Mortgage Evaluation Form provided by Flores required AR1 to provide personal financial information concerning AR1's mortgage loan and income. After AR1 received Flores' letter, AR1 contacted Flores by telephone. During the telephone conversation between AR1 and Flores, Flores stated that he could help AR1 with AR1's foreclosure or mortgage problem for a fee of \$800.00. AR1 ultimately decided not to hire Flores.

4. Flores has admitted to the Staff that he sent solicitation letters, similar to letter sent to AR1, offering mortgage loan modification services to 51 other Arkansas residents. A copy of this letter is attached hereto as "Exhibit 3". In addition, Flores admitted to the Staff that he uses several other forms in his loan modification activities in Arkansas. The first form is titled "Letter of Authorization". A copy of this form is attached hereto as "Exhibit 4". This form authorizes the release of information about the Arkansas residents' mortgage loan to Flores. The second form is titled "Disclosure Regarding Your Real Estate". A copy of this form is attached hereto as "Exhibit 5". The disclosure form states that the forbearance of the client's property will be made possible, because Flores may be able to negotiate with the lender/lenders to have them take less than what is owed on the reinstatement amount due on the client's property. The form refers to this as a "Loan Modification" or repayment plan. Finally, the form states that there is a one-time non-refundable fee of \$800.00 due at the time of services. The third form used by Flores in Arkansas is titled "Homeowners Loan Mod Check List". A copy of this form is attached hereto as "Exhibit 6". This form requires the client to provide Flores with detailed financial information concerning the client's income and monthly expenses. The form also states

that if the client is contacted by the mortgage company, then the client is to tell them to call Flores, because the client has Flores to work on the client's behalf.

Applicable Law

5. Ark. Code Ann. § 23-39-503(a) states it is unlawful for any person located in Arkansas to act or attempt to act, directly or indirectly, as a mortgage broker or loan officer without first obtaining a license from the Securities Commissioner under the Arkansas FMLA.

6. Rule 5003-3(c)(1) states that a person offering or negotiating loan modification services is, at least at a minimum, indirectly acting as a loan officer. Therefore, any person who directly or indirectly solicits, accepts, or negotiates; or offers or attempts to solicit, accept, or negotiate loan modifications for a borrower; and receives compensation or gain is required to be licensed as a loan officer.

Conclusions of Law

7. Flores violated Ark. Code Ann. § 23-39-503(a) 52 times when he acted as a mortgage broker and/or loan officer with AR1, as well as 51 other Arkansas residents, without first being licensed under the Arkansas FMLA by the Department.

8. The conduct, acts, and practices of Flores threatens immediate and irreparable public harm. A cease and desist order is in the public interest and is appropriate pursuant to Ark. Code Ann. § 23-39-514(d).

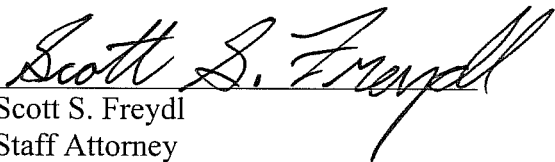
Legal Authority to Issue Cease and Desist Order

9. 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(d).

Prayer for Relief

WHEREFORE, the Staff respectfully requests that the Commissioner order Flores to immediately CEASE AND DESIST from acting or attempting to act as a mortgage broker and/or loan officer in the State of Arkansas until he is properly licensed under the Arkansas FMLA with the Department; and, for all other relief to which the Staff may be entitled.

Respectfully submitted,


Scott S. Freydl
Staff Attorney
Arkansas Securities Department

6/1/10
Date

From the desk of...

Tom D. Flores

Dear Homeowner,

1/11/10

Hello, my name is Tom Flores. I live here in Fayetteville and have lived here for over 30 years. We all know that times are tough and I definitely know what you and your family are going through. I have been through the same situation myself.

I specialize in helping families get out of the current situation they're in with their homes. I have been doing this for several years and am getting excellent results.

There are many ways to save your home and you do have rights as a Homeowner. The Government is now implementing new laws and programs to help you save your home. I understand how they work and who to talk to with your Mortgage Company. The Government or the Mortgage company will NOT contact you. You must take ACTION! These programs are only going to be available through the end of 2010. Time is of the essence! Most Homeowners don't have the time or the patience to deal with this stressful process. The County has set a SALE DATE for your home..

This is where I come in, I can stop or suspend the sale and present several options to you and your Mortgage Company to give you more time and get you back on your feet.

If you want to save your home, you don't need to:

1. Get another loan.
2. Deal with the Foreclosing Attorneys.
3. Deal with the Mortgage Company.
4. Deal with trying to sell your home.
5. Declare Bankruptcy.

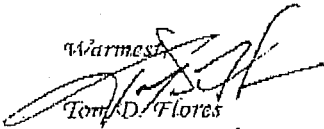
To see what OPTIONS are available to you. You can...

1. Call me @ (479) 973-4342
2. Email me at tomdflores@earthlink.net or
3. Fill out the Mortgage evaluation form enclosed and email it, fax it @ 479-966-4693 or mail it back to me @ 3395 Raleigh Circle Fayetteville, Ark. 72703

**P.S. If you really "do not" want to keep your home, we can help you
Sell it Quickly!!**

Se Habla Espanol!

Warmest



Tom D. Flores

Mortgage Workout Specialist

Feel free to call any or all of these true testimonials.

"We couldn't have done it without Tom's help"
Thank you so much!

Stephen Brock
Alexander, Ark.
501-653-2073

"I really didn't know what to do" Tom made easy and fast"
Thanks.

Tina Black
Prairie Grove, Ark.
701-330-8494

"We were able to sleep at night again. We are very grateful"
Good Job!

Doug Moore
Alma, Ark.
479-474-9561

MORTGAGE EVALUATION FORM

NAME(S) _____ DATE ____/____/____

ADDRESS _____ CITY _____ ZIP _____

PHONE: _____ WORK: _____ FX: _____

EMAIL ADDRESS _____

WHO'S YOUR MORTGAGE COMPANY? _____

HAVE YOU BEEN IN CONTACT WITH THEM? _____

HOW MANY PAYMENTS ARE YOU BEHIND? _____

WHAT ARE YOUR MONTHLY MOTGAGE PAYMENTS? _____

HOW DID YOU GET BEHIND? _____

DO YOU REALLY WANT TO SAVE YOUR HOME? YES _____ NO _____

HOW MUCH CAN YOU PUT TOWARD YOUR MISSED PAYMENTS? _____

IF I WERE TO HELP YOU SAVE YOUR HOME; COULD YOU MAINTAIN THE CURRENT MONTHLY MORTGAGE PAYMENTS? YES _____ NO _____

WHO IS YOUR EMPLOYER? _____

WHAT IS YOUR COMBINED HOUSEHOLD MONTHLY NET INCOME?
HIM _____ + HER _____ + OTHER _____ = TOTAL _____

DO YOU HAPPEN TO KNOW YOUR SALE DATE? _____

PLEASE FAX, MAIL OR EMAIL TO :

FAX: 479-966-4692

MAIL: TOM D. FLORES
3395 RALEIGH CIRCLE
FAYETTEVILLE, ARK 72703

EMAIL: tomdflores@earthlink.net
(scan then email)

Exhibit 3

From the desk of...

Tom D. Flores

Dear Homeowner,

3/18/10

Hello, my name is Tom Flores. I live here in Fayetteville and have lived here for over 30 years. We all know that times are tough and I definitely know what you and your family are going through. I have been through the same situation myself.

I specialize in helping families get out of the current situation they're in with their homes. I have been doing this for several years and am getting excellent results.

There are many ways to save your home and you do have rights as a Homeowner. The Government is now implementing new laws and programs to help you save your home. I understand how they work and who to talk to with your Mortgage Company. The Government or the Mortgage company will NOT contact you. You must take ACTION! These programs are only going to be available through the end of 2010. Time is of the essence! Most Homeowners don't have the time or the patience to deal with this stressful process. The County has set a SALE DATE for your home.

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If you want to save your home, you don't need to:

1. Get another loan.
2. Deal with the Foreclosing Attorneys and Mortgage Company.
3. Worry about your Credit Score.
4. Deal with trying to sell your home.
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To see what OPTIONS are available to you. You can...

1. Call me @ (479) 973-4342 or
2. Email me at tomdflores@earthlink.net

**P.S. If you really "do not" want to keep your home, we can help you
Sell it Quickly!!**

Warmest,

Se Habla Espanol!

Tom D. Flores

Mortgage Workout Specialist

Feel free to call any or all of these true testimonials.

"I couldn't have done it
without Tom's help"
Thank you so much!

Lindsey Shamblin
Greenwood, Ark
479-459-6652

"I really didn't know what
to do" Tom made easy and fast"
Thanks.

Tina Black
Prairie Grove, Ark
701-330-8494

"We were able to sleep at night
again. We are very grateful"
Good Job!

Doug Moore
Alma, Ark
479-474-9561

Exhibit 4

T.D.F. INC

Mortgage Workout Specialist

3395 E. Raleigh Circle Fayetteville, Ark 72703

Ph:479-973-4342 Fx:479-966-4692 Email: tomdflores@earthlink.net

DATE ____ / ____ / ____

LETTER OF AUTHORIZATION

I/WE HEREBY AUTHORIZE YOU TO RELEASE TO TOM D. FLORES, ANY AND ALL INFORMATION REGARDING MY MORTGAGE LOAN. YOU MAY REPRODUCE THIS DOCUMENT TO ACQUIRE REFERENCE FROM MORE THAN ONE SOURCE.

ADDRESS: _____

NAME _____ D.O.B. ____ / ____ / ____

SIGNATURE X _____ (sign)

S.S. # _____ (need)

LOAN # _____ (need)

Company _____

Exhibit 5

Disclosure Regarding Your Real Estate

This document serves as an explanation and disclosure regarding the Property at:



The Forbearance of your property will be made possible because we may be able to negotiate with the Lender/Lenders to have them take less than what is owed on the reinstatement amount due on your property.

Your Lender/Lenders may require you as the original mortgagor to pay a contribution of the reinstatement amount due and the remaining amount may be added to your current monthly mortgage payments or keeping your current payments intact and may result in extending the Mortgage. This is known as a Loan Modification or a repayment plan.

The property owner agrees to hold harmless Tom D. Flores and all other persons for any and all claims, actions, and compensation whatsoever which the undersigned now has/have or which may hereafter in any way growing out of any, foreseen and unforeseen from forbearance of the property.

There is a one time non-refundable fee of \$800.00 due at time of services. If only a portion of said fee is paid while attempting to do a Loan Modification and the foreclosure sale date on the above property has been postponed, suspended or a Loan Modification has been reached, the balance on the said fee will be due.

If the property owner has misrepresented him or herself in any way shape or form this agreement will be null and void.

In addition, if the current Mortgage Company provides a Loan Modification and the Mortgage holder declines the offer there is no guarantee that a new one will be offered.

THE UNDERSIGNED HAS READ THE FORGOING RELEASE AND FULLY UNDERSTANDS IT.

Signed, sealed and delivered this _____ day of _____, 20____.

Witness X _____ (sign)


STATE OF ARKANSAS

COUNTY OF WASHINIGTON AND/OR BENTON

On this _____ day of _____, 20____, before me personally appeared _____ . To me known to be the person(s) named herein and who executed the foregoing release and who acknowledge to me that they have read the forgoing release and understand the contents thereof and they voluntarily executed the same.

My term expires _____

Notary Public

Exhibit 6

Homeowners Loan Mod Check List

(all must be signed and dated)

- _____ **1. TWO WEEKS OF PAY STUBS.**
 _____ **2. WORKOUT SHEET. (see below)**

SAMPLE	Monthly Expenses	Monthly Net Income	YOUR TOTALS
Mortgage	1000		
Gas	25		
Electricity	125		
Water	64		
Cable	60		
Phone	101		
Insurance	75		
Car payment	385		
Food	400		
Gasoline	300		
Other	50		
Life Ins	75		
Child care	100		
Him		1525	
Her		1490	
Total	2760	3015	
Surplus		255	

- _____ **3. HARDSHIP LETTER: Hand write!!**
 Describe why you fell behind.
 State that you want to keep the home.
 Also that you are in the home and
 that it is in good shape and that you
 may have made improvements on it.
- _____ **4. INSPECTION: Expect the company to pay you**
 a visit to make sure you are in the property
 and that it is in good shape. Also you may
 still receive collection info from the Co or Atty's
- _____ **5. SET UP OPTIONS: (1) Payment, contribution,**
 3 consecutive payment before modification plan.
- _____ **6. BE PATIENT: Process could take 30 to 60 days.**
- _____ **7. If contacted by the Mortgage company tell them to call me**
 on your account because you have me to work on your behalf.
- _____ **8. You must keep a line of communication OPEN!!!!!! with me!**