

**BEFORE THE ARKANSAS SECURITIES COMMISSIONER
CASE NO C-10-135
ORDER NO C-10-135-10-OR01**

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ARKANSAS SECURITIES DEPT.

**IN THE MATTER OF:
EXPERT FINANCIAL SERVICES, INC. AND
RICK WHITE, SR.**

RESPONDENTS

CEASE AND DESIST ORDER

On September 16, 2010, the Staff of the Arkansas Securities Department (“Staff”) filed a Request for a Cease and Desist Order followed by an Amended Request for a Cease and Desist Order on September 22, 2010 (collectively, the “Request”). In its Request, the Staff states that it has information and certain evidence in its possession that indicates Expert Financial Services, Inc. (“Expert”), and Rick White, Sr. (“White”), have violated provisions of the Arkansas Fair Mortgage Lending Act (“FMLA”), Ark. Code Ann. §§ 23-39-501 through 23-39-518. The Arkansas Securities Commissioner (“Commissioner”) has reviewed the Request, and based upon representations made therein, finds that:

FINDINGS OF FACT

The Staff’s Request asserts the following representations of fact:

1. Expert is a business entity with its main office at 34020 Seven Mile Road, Livonia, Michigan 48152. Expert has never been licensed under the Arkansas FMLA in any capacity.
2. White is the president of Expert.

3. "Cassandra" is purportedly a financial consultant employed by Expert to act as a loan officer with Arkansas residents. No loan officer employed by Expert has ever been licensed as a loan officer with Expert under the Arkansas FMLA.

4. Arkansas resident one ("AR1") initially contacted Expert, after viewing a television advertisement for Expert's mortgage loan modification services. On or about March 8, 2010, AR1 received a solicitation letter from Expert that appears to be from Cassandra in her role as Financial Consultant at Expert. A copy of the solicitation letter is attached to the Staff's Request as "Exhibit 1". AR1's residence is located in Lowell, Arkansas. The solicitation letter states that "it is virtually guaranteed that we will succeed in completing your loan modification in a timely and efficient manner". The letter states later that "The following is what we will be able to do for you, should you choose our company to help you with your current financial situation: 1) Prevent foreclosure, 2) Bring your late payment status back to current on your real estate taxes, 3) Lower your mortgage interest rate, 4) lower your mortgage payment." After AR1 received the solicitation letter, AR1 decided not to hire or send any money to Expert.

5. On March 8, 2010, and again on April 9, 2010, members of the Staff sent letters requesting information from Expert concerning Expert's mortgage loan activity in Arkansas. Expert did not respond in any way to either of these requests for information. On May 11, 2010, the Commissioner entered an Order of Investigation that granted Staff Attorney Scott Freydl the authority to issue subpoenas. On June 22, 2010, a Subpoena Dues Tecum was issued requesting information concerning Expert's mortgage loan activity in Arkansas. Although the subpoena was served on Expert on June 30, 2010, the Staff received no response of any kind from Expert. A copy of the Affidavit of Service of this Subpoena Dues Tecum on White for Expert is attached to the Staff's Request as "Exhibit 2".

CONCLUSIONS OF LAW

6. Ark. Code Ann. § 23-39-503(b) states that it is unlawful for any person other than an exempt person to act or attempt to act, directly or indirectly, as a mortgage broker, mortgage banker, loan officer, or mortgage servicer with any person located in Arkansas without first obtaining a license from the commissioner under the Arkansas FMLA. Further, Rule 5003-3(c)(2) states that any person who directly supervises individuals who solicit, accept, or negotiate; or offer or attempt to solicit, accept, or negotiate loan modifications for compensation or gain are required to be licensed as mortgage brokers. Expert and White, as president of Expert, violated Ark. Code Ann. § 23-39-503(b) by acting as a mortgage broker with AR1 without first being licensed as a mortgage broker under the Arkansas FMLA, when Expert solicited a mortgage loan modification from AR1.

7. Ark. Code Ann. § 23-39-503(c) states it is unlawful for any person other than an exempt person to employ any person to act as a loan officer unless the loan officer is licensed as a loan officer under the Arkansas FMLA. Further, 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. Expert and White, as president of Expert, violated Ark. Code Ann. § 23-39-503(c) when Expert solicited a mortgage loan modification from AR1 without the person soliciting, presumably “Cassandra,” first being licensed as a loan officer under the Arkansas FMLA.

8. Ark. Code Ann. § 23-39-513(13) states it is unlawful for any person to unreasonably fail to deliver or provide information or documents promptly to the Commissioner upon written

request. As detailed in paragraph five, Expert and White, as president of Expert, violated Ark. Code Ann. § 23-39-513(13) when it and he repeatedly failed to respond to written requests for information and a lawfully issued subpoena concerning Expert's mortgage loan activity in Arkansas.

9. Ark. Code Ann. § 23-39-514(d)(1) states that 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. The conduct, acts, and practices of Expert, its employees, and White threaten immediate and irreparable public harm. Based on the Findings of Fact and Conclusions of Law, this Cease and Order is in the public interest and is appropriate pursuant to Ark. Code Ann. § 23-39-514.

ORDER

10. Expert Financial Services, Inc., and Rick White, Sr., are hereby ordered to cease and desist from all mortgage loan activity in Arkansas until such time as Expert and all of its loan officer employees contacting Arkansas residents have been properly licensed under the Arkansas FMLA.

11. Expert Financial Services, Inc., and Rick White, Sr., are hereby ordered to cease and desist from further acts constituting violations of Ark. Code Ann. § 23-39-513(13).

12. A hearing on this Cease and Desist Order shall be held, if requested by Expert Financial Services, Inc., and/or Rick White, Sr., in writing within thirty days of the date of the entry of this Cease and Desist Order, or if otherwise ordered by the Commissioner. Such request should be addressed to the Commissioner and submitted to the following address:

Arkansas Securities Commissioner
201 East Markham, Suite 300
Little Rock, Arkansas 72201

If no hearing is requested and none is ordered by the Commissioner, this Cease and Desist Order will remain in effect until it is modified or vacated by the Commissioner. Ark. Code Ann. § 23-39-514(d).



A. Heath Abshure
Arkansas Securities Commissioner

September 23, 2010
Date