

BEFORE THE ARKANSAS SECURITIES COMMISSIONER
CASE NO C-10-184
ORDER NO C-10-184-10-OR01

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ARKANSAS SECURITIES D

**IN THE MATTER OF:
RELIEF LAW CENTER
D/B/A USA LOAN AUDITORS**

RESPONDENT

CEASE AND DESIST ORDER

On July 27, 2010, the Staff of the Arkansas Securities Department (“Staff”) filed a Request for Cease and Desist Order (“Request”), stating that it has information and certain evidence in its possession that indicates Relief Law Center has 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. Relief Law Center d/b/a USA Loan Auditors (“Relief Law Center”) is a business entity believed by the Staff to have its main office in Orange, California. Relief Law Center has never been licensed under the FMLA in any capacity.

2. In 2010, Arkansas resident one (“AR1”) received a solicitation letter titled “Notice Regarding Predatory” from Relief Law Center. A copy of Relief Law Center’s solicitation letter is attached to the Request as “Exhibit 1”. In its letter Relief Law Center offers to lower AR1’s monthly mortgage payments, lower AR1’s interest rate, modify AR1’s ARM, reduce the principal of AR1’s second mortgage, and discount AR1’s pay-off or forbearance

amounts. After reviewing this solicitation letter, AR1 decided not to contact Relief Law Center. In addition, after this letter was sent to AR1, no employee of Relief Law Center contacted AR1.

3. As a whole Relief Law Center's solicitation letter that was sent to AR1 is misleading and deceptive. The letter is designed to resemble a government or regulatory form. First, the letter lists "Form 008-S Lender Investigation Notification 2010". Second, the letter uses the terms "investigation" or "lender investigation" six times. Third, the letter states that: "We are currently investigating your lender HOT SPRINGS BK&TR CO for predatory lending. Based on our information you may be a victim of lender misconduct." In fact, there is no evidence to indicate that AR1's bank or lender was under any type of government or regulatory investigation of its mortgage lending practices concerning any accusation of predatory lending. Clearly, Relief Law Center's solicitation letter was designed to mislead or deceive AR1 into think that AR1's bank or lender was the subject of a government or regulatory investigation. Further, Relief Law Center's solicitation letter was designed to mislead or deceive AR1 into think that AR1 was the victim of predatory lender misconduct. Finally, the misleading or deceptive statements contained in Relief Law Center's solicitation letter were designed to get AR1 to contact and hire Relief Law Center to modify AR1's existing mortgage loan.

4. On April 9, 2010, and again on May 4, 2010, members of the Staff sent letters requesting information from Relief Law Center concerning Relief Law Center's mortgage loan activity in Arkansas. Relief Law Center did not respond in any way to either of these requests for information. On July 14, 2010, the Commissioner entered an Order of Investigation that granted Staff Attorney Scott Freydl the authority to issue subpoenas. On the same day a subpoena was issued requesting information concerning Relief Law Center's mortgage loan

activity in Arkansas. Although the subpoena was served on Relief Law Center on June 17, 2010, the Staff received no response of any kind from Relief Law Center.

CONCLUSIONS OF LAW

5. It is unlawful for any person 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 FMLA. Ark. Code Ann. § 23-39-503(b) Relief Law Center violated Ark. Code Ann. § 23-39-503(b) when it attempted to act as a mortgage broker and/or loan officer with AR1 without first being licensed as a mortgage broker and/or loan officer under the FMLA.

6. Ark. Code Ann. § 23-39-513(7) states it is unlawful for any person in connection with the advertisement or solicitation of any mortgage loan to engage in any transaction, practice, or course of business that is misleading or deceptive. The acts of Relief Law Center, as detailed in Paragraph 3, constitute one violation of Ark. Code Ann. § 23-39-513(7) by Relief Law Center.

7. Ark. Code Ann. § 23-39-513(13) states it is unlawful for any person in the course of any mortgage loan transaction or activity to unreasonably fail to deliver or provide information or documents promptly to the Commissioner upon written request. As detailed in Paragraph 4, Relief Law Center violated Ark. Code Ann. § 23-39-513(13) when it repeatedly failed to respond to written requests for information and a lawfully issued subpoena concerning Relief Law Center's mortgage loan activity in Arkansas.

8. Upon finding that any action of a person is in violation of the FMLA, the Commissioner may summarily order the person to cease and desist from the prohibited action. Ark. Code Ann. § 23-39-514(d)(1). The conduct, acts, and practices of Relief Law Center 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

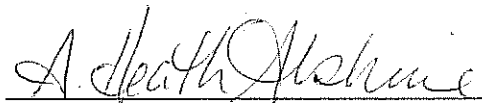
9. Relief Law Center shall immediately cease and desist from further violations of Ark. Code Ann. § 23-39-503 by ceasing all mortgage loan activity in Arkansas without being licensed under the FMLA.

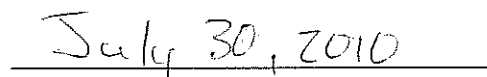
10. Relief Law Centers shall immediately cease and desist from further violations of Ark. Code Ann. § 23-39-513(7) by ceasing all transactions, practices, or courses of business that are misleading or deceptive including the misleading and deceptive solicitation described herein.

11. A hearing on this Cease and Desist Order shall be held, if requested by Relief Law Center 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


Date