

BEFORE THE ARKANSAS SECURITIES COMMISSIONER**CASE NO. C-12-0076****IN THE MATTER OF:****ORDER NO. C-12-0076-12-OR01****GUARANTY LOAN &
REAL ESTATE CO.****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 Fair Mortgage Lending Act (“Rules”), 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, Guaranty Loan & Real Estate Co. (“Guaranty Loan”) in full and final settlement of all claims that could be brought against Guaranty Loan by the Staff on the basis of the facts set forth herein.

Guaranty Loan admits the jurisdiction of the FMLA and the Arkansas Securities Commissioner (“Commissioner”), waives its right to a formal hearing and appeal, and consents to the entry of this order and agrees to abide by its terms.

FINDINGS OF FACT

1. Guaranty Loan is a corporation organized under the laws of Delaware, with its principal office located at 310 Mid-Continent Plaza, West Memphis, Arkansas 72301. Guaranty Loan is not currently licensed under the FMLA in any capacity.

2. Guaranty Loan holds itself out to the public as a mortgage banker and mortgage servicer that provides mortgage banking and mortgage servicing activities to Arkansas consumers.

3. Guaranty Loan engaged in the business of mortgage banking and mortgage servicing in Arkansas without a license under the FMLA from on or about January 2011, through the date of this Order.

4. From on or about January 1, 2011 through the date of this Order, Guaranty Loan acted as a mortgage banker and mortgage servicer for approximately 30 residents of the State of Arkansas.

5. Guaranty Loan has fully cooperated with the Staff during the Staff's investigation of this matter. Furthermore, Guaranty Loan has filed an application for licensure as a mortgage banker and mortgage servicer with the Department pursuant to the FMLA.

LEGAL AUTHORITY AND CONCLUSIONS OF LAW

6. Pursuant to Ark. Code Ann. §§ 23-39-501 through 23-39-518, the Commissioner has jurisdiction over Guaranty Loan and the subject matter of this proceeding.

7. Ark. Code Ann. § 23-39-503(a) states that it is unlawful for any person to act or attempt to act, directly or indirectly, as a mortgage banker and a mortgage servicer without first obtaining a license from the Commissioner under the FMLA. As detailed in paragraphs two through four the failure by Guaranty Loan to obtain a license in Arkansas prior to engaging in the business of mortgage banking and mortgage servicing in Arkansas, or holding itself out as providing mortgage banking or mortgage servicing business in Arkansas constitutes a violation of Ark. Code Ann. § 23-39-503(a).

8. In accordance with Ark. Code Ann. § 23-39-514(a)(1) the entry of this order is in the public interest.

9. The Commissioner by order may impose a civil penalty that shall not exceed \$10,000.00 for each violation by a mortgage broker, mortgage banker, or mortgage servicer upon a

licensee or 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) & (2). The acts and violations of the FMLA and Rules by Guaranty Loan as detailed in paragraphs two through four warrant the entry of appropriate civil penalties against Guaranty Loan as authorized by Ark. Code Ann. §§ 23-29-514(b)(1) & (2).

10. Pursuant to Ark. Code Ann. § 23-39-514(l) the FMLA permits the informal disposition of an allegation by consent order. The acts and violations of the FMLA by Guaranty Loan as detailed in paragraphs two through four warrants the entry of a consent order.

ORDER

By agreement and with the consent of the Staff and the authorized representative of Guaranty Loan, it is hereby ordered that Guaranty Loan shall be responsible for the payment of a civil penalty in the amount of \$4,500.00 to the Arkansas Securities Department within thirty (30) calendar days of the entry of this Consent Order.

WITNESS MY HAND AND SEAL on this 4th day of April, 2012.



A. HEATH ABSHURE
Arkansas Securities Commissioner

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.

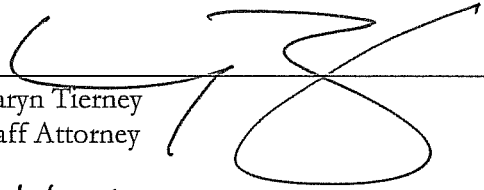


Randall Catt
President, Guaranty Loan & Real Estate Co.

4/3/2012

Date

Karyn Tierney
Staff Attorney

A handwritten signature in black ink, consisting of a large, stylized 'K' followed by a large, stylized 'T'.

4-4-12

Date