

BEFORE THE ARKANSAS SECURITIES COMMISSIONER
CASE NO C-13-0093

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ARKANSAS SECURITIES DEPT.

IN THE MATTER OF:
JUDY J. HOOVER-DUGGAN

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 Judy J. Hoover-Duggan (“Hoover-Duggan”) has violated provisions of the Arkansas Fair Mortgage Lending Act (“FMLA”), Ark. Code Ann. §§ 23-39-501 through 23-39-518, and the Rules of the FMLA (“Rules”).

Administrative Authority

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

Respondent

2. Hoover-Duggan is a resident of Percy, Arkansas. Hoover-Duggan was never licensed under the FMLA in any capacity with Wide Blue Sky, Inc. d/b/a Lincoln Mortgage, Inc. (“Lincoln Mortgage”).

Facts Supporting Request for Cease and Desist Order

3. On December 27, 2006, Arkansas Securities Commissioner Michael Johnson entered a Cease and Desist Order against Hoover-Duggan. This Cease and Desist Order directed Hoover-Duggan to cease all mortgage brokering activities in Arkansas. Further, this order detailed that Hoover-Duggan had engaged in unlicensed mortgage brokering activity in violation of a Consent Order entered in February 2006.

4. In 2008 Hoover-Duggan applied for a mortgage loan officer license under the FMLA. At the time of Hoover-Duggan's loan officer license application, Hoover-Duggan was employed by Lincoln Mortgage. In 2009, prior to a scheduled hearing of a request filed by the Staff to deny Hoover-Duggan's loan officer license application, Hoover-Duggan withdrew her mortgage loan officer license application.

5. Between December 2011 and June 2012, Hoover-Duggan was employed as a loan processor by Lincoln Mortgage. While employed by Lincoln Mortgage, Hoover-Duggan was not licensed as a loan officer under the FMLA. However, Hoover-Duggan engaged in loan officer activity, including accepting mortgage loan applications and negotiating the terms of mortgage loans, with three Arkansas residents. The evidence supporting Hoover-Duggan's unlicensed mortgage loan officer activity includes statements by Arkansas borrowers and the contact logs from the lender.

Applicable Law

6. Ark. Code Ann. § 23-39-503(a) states that it is unlawful for any person located in Arkansas 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 without first obtaining a license from the Commissioner under the FMLA.

7. Ark. Code Ann. § 23-39-514(e) 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.

Conclusions of Law

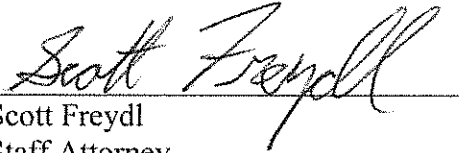
8. As detailed in paragraphs three through five, Hoover-Duggan violated Ark. Code Ann. § 23-39-503(a) when she acted as a loan officer with three Arkansas residents without first being licensed under the FMLA.

9. The conduct, acts, and practices of Hoover-Duggan 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(e).

Prayer for Relief

WHEREFORE, the Staff respectfully requests that the Commissioner order Hoover-Duggan to immediately cease and desist from acting or attempting to act as a loan officer, mortgage broker, mortgage banker or mortgage servicer in the State of Arkansas until she is properly licensed under the FMLA; and, for all other relief to which the Staff may be entitled.

Respectfully submitted,



Scott Freydl
Staff Attorney
Arkansas Securities Department

11/18/13

Date