

**STATE OF ARKANSAS  
SECURITIES DEPARTMENT**

**IN THE MATTER OF**

**PINNACLE MORTGAGE  
INVESTMENTS;  
LICENSE NO. 11131**

**ORDER NO. C-078-04-OR01**

**ORDER INTERPRETING THE MINIMUM EXPERIENCE  
QUALIFICATIONS PURSUANT TO A.C.A. SECTIONS 23-39-508(B) and  
23-39-505(C)(1)**

Pinnacle Mortgage Investments, License No. 11131, (the “registrant”) has requested an opinion from the Arkansas Securities Commissioner (the “Commissioner”) containing an interpretation of the experience requirements for a branch manager of a registered mortgage loan company. Specifically, the registrant proposes the appointment of a candidate to the position of branch manager of its Russellville, Arkansas office. The registrant seeks a determination that the candidate’s experience or competency level meets or exceeds the standards set forth in Ark. Code Ann. Sections 23-39-508(b) and 23-39-505(c)(1).

**FINDINGS OF FACT**

1. The Arkansas Fair Mortgage Lending Act (FMLA), requires all

registered mortgage loan companies to designate a branch manager for each of its branch offices doing business in Arkansas.

2. The FMLA mandates minimum experience requirements for designated branch managers.
3. The registrant proposes the appointment of Sean Jackson, (the “applicant”), to be designated as branch manager of its Russellville, Arkansas office.
4. The applicant has been employed as a loan officer with the registrant since July, 2003.
5. The applicant had previously been employed as a licensed, Series 7 Investment Adviser for World Financial Group from November, 2000 through January, 2003.
6. The applicant possesses 35 months of combined experience in the regulated financial industries of mortgage brokering and securities.
7. The applicant earned a Bachelor of Science degree in business administration at Arkansas Tech University in December, 2000.

### **CONCLUSION OF LAW**

8. The FMLA requires that a branch manager be designated for each of a

registrant's branch office doing business in Arkansas. **Ark. Code Ann. § 23-39-502(1) and (2).**

9. In order to be licensed as a branch manager of a registrant, a candidate must have at least three years of experience in the mortgage lending industry **Ark. Code Ann. § 23-39-508(b).** and **Ark. Code Ann. § 23-39-505(c)(1).**
10. The Commissioner, by rule or order, may adopt other experience or competency requirements for a branch manager. **Ark. Code Ann. § 23-39-505(c)(1).**

### **OPINION**

11. The Commissioner finds that the applicant's 35 months of combined experience in the mortgage lending and securities industries meets the experience and competency standards for a branch manager as set forth in the FMLA. It is also noted that the applicant possesses a Bachelor of Science degree in business administration.

### **ORDER**

WHEREFORE, it is hereby ordered that the registrant is granted the authority to designate the applicant as branch manager of its Russellville, Arkansas

office, and that the staff of the Arkansas Securities Department may consider the applicant as meeting the experience and competency requirements of the FMLA.

IT IS SO ORDERED.

A handwritten signature in black ink, appearing to read "M. Johnson". The signature is fluid and cursive, with the first letter "M" being particularly large and stylized.

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Michael B. Johnson  
Arkansas Securities Commissioner

May 11, 2004  
DATE