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ARKANSAS SECURITIES DEPT.

BEFORE THE ARKANSAS SECURITIES COMMISSIONER

IN THE MATTER OF:

GUARDIAN FINANCIAL
MORTGAGE CORP., LICENSE
NO. 40432, AND; WESLEY S. SNODGRASS,
LOAN OFFICER LICENSE NO. 15741

ASD CASE NO.
C-08-012

RESPONDENTS

**REQUEST FOR REVOCATION OF LICENSES AND FOR
TEMPORARY SUSPENSION OF LICENSES PENDING HEARING**

Comes now the Arkansas Securities Department (“Securities Department”),
by and through its attorney, Mike Spades, Jr., and for its Request for
Revocation of Licenses and for Temporary Suspension of Licenses Pending
Hearing, states:

Administrative Authority

This matter is in connection with the issuance of licenses to conduct
business as a mortgage loan broker and as a mortgage loan officer pursuant
to the Arkansas Fair Mortgage Lending Act and is therefore properly before
the Arkansas Securities Commissioner (“Securities Commissioner”). **Ark.**
Code Ann., §§ 23-39-501, et seq.

Respondents

1. Guardian Financial Mortgage Corporation (“Guardian Mortgage”) is
a mortgage loan company located in Hot Springs, Arkansas. Guardian

Mortgage has been licensed as a “Mortgage Broker” with the Securities Department since August 10, 2007. The license of Guardian Mortgage is scheduled to expire on June 30, 2008.

2. Wesley S. Snodgrass is the owner and president of Guardian Mortgage. The Securities Department issued a license to Mr. Snodgrass to act as a “Loan Officer” for Guardian Mortgage on August 10, 2007. Mr. Snodgrass’ license expires August 31, 2008.

Facts to be Presented by Securities Department Staff

3. On or about July 16, 2007, Guardian Mortgage submitted an application to the Securities Department seeking to acquire a license as a “Mortgage Broker” as required by **Ark. Code Ann., § 23-39-505(a)(1)**. The application was signed by Mr. Snodgrass in the presence of a notary public on July 13, 2007. The application requires disclosure of certain background information. Question 16 (a) inquires:

Have you ever been convicted of a crime punishable by one or more years imprisonment?

Mr. Snodgrass answered “No” to Question 15 (a). Question 16 (b) asks:

To the best of your knowledge, has the Applicant or any of its partners, directors, managers, executive officers, or controlling persons ever been convicted of a crime punishable by one or more years imprisonment?

Mr. Snodgrass answered “No” to Question 16 (b). Question 16 (c) asks:

To the best of your knowledge, have any loan officers or loan originators within the Applicant's organization ever been convicted of a crime punishable by one or more years imprisonment?

Mr. Snodgrass answered "No" to Question 16 (c).

4. In addition to the Mortgage Broker application, Mr. Snodgrass submitted an application individually for approval to act as a "Loan Officer" for Guardian Mortgage pursuant to **Ark. Code Ann. § 23-39-505(a)(1)**.

Mr. Snodgrass signed the Loan Officer application in the presence of a notary public on July 13, 2007. The Loan Officer application also requires disclosure of certain background information. Question 3 (a) of the application reads:

Have you ever pled guilty or nolo contendere to, or been convicted of a crime punishable by one or more years imprisonment?

Mr. Snodgrass answered "No" to Question 3 (a).

5. Securities Department staff recently received information that Mr. Snodgrass had plead guilty to and been sentenced for a felony offense prior to submission of the applications referenced in Paragraphs 3 and 4 above. A subsequent review of the public documents on file with the Clerk of the United States District Court, Eastern District of Arkansas, revealed the following facts:

(a) On November 28, 2000, Mr. Snodgrass appeared with his attorney in

U.S. District Court before the Honorable William R. Wilson, Jr., District Judge. During the court appearance, the U.S. Attorney filed an Information charging Mr. Snodgrass with one count of knowingly and with intent to defraud using unauthorized access devices to obtain goods and services with a value aggregating more than \$1000.00 with such transactions affecting interstate commerce, in violation of Title 18, United States Code, Section 1029(a)(2), a Class C felony. In the same hearing, Mr. Snodgrass executed a Waiver of Indictment and a Plea Agreement wherein Mr. Snodgrass plead guilty to the one count Information. The Plea Agreement contained a stipulation that Mr. Snodgrass' conduct had caused a loss of between \$20,000.00 and \$40,000.00.

(b) The District Court scheduled a sentencing hearing for Mr. Snodgrass to be held on March 2, 2001. Mr. Snodgrass appeared with his attorney on that date. The Court sentenced Mr. Snodgrass to a period of three months imprisonment in the custody of the U. S. Bureau of Prisons, with a recommendation that the sentence be served in a community confinement center.

(c) The offense for which that Mr. Snodgrass plead guilty and was sentenced is punishable by a term of imprisonment of not more than ten years. **18 United States Code, Section 1029(c)(1)(A)(i).**

6. Prior to his ownership of Guardian Mortgage, Mr. Snodgrass was the owner and managing principal of another mortgage loan company incorporated as TBS Investments, Inc., d/b/a American Residential Mortgage (“AMR”) located in Cabot, Arkansas from January 21, 2003, through May 5, 2006. During that time, Mr. Snodgrass submitted numerous applications to the Securities Department in connection with AMR. A review of the registration files of AMR reflects that Respondent submitted material false statements concerning his criminal background in those company documents as well.

Legal Authority

7: The Securities Commissioner may by order deny, suspend, revoke, or refuse to issue or renew a license of a licensee or applicant if the Securities Commissioner finds that the order is in the public interest, and; that the person has filed an application that was materially false or misleading at the time that it was made, or; that the applicant is a convicted felon. **Ark. Code Ann., §§ 23-39-514(a)(1), and (a)(2)(A), and (a)(C)(i).** The Securities Commissioner has the authority to summarily suspend the license of a licensee pending final determination of the issue. **Ark. Code Ann. § 23-39-514 (c)(1).**

Summary

For the reasons set forth herein, the Securities Department staff requests that a hearing be scheduled to consider whether licenses of Guardian Mortgage and Mr. Snodgrass should be revoked. The staff further requests that a separate order be entered summarily suspending the licenses of Guardian Mortgage and Mr. Snodgrass pending a hearing on the revocation request.

Respectfully Submitted,



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2/4/08

Date