

BEFORE THE ARKANSAS SECURITIES COMMISSIONER

RECEIVED

CASE NO. C-09-038

09 JUL -7 PM 2: 29

ARKANSAS SECURITIES DEP

IN THE MATTER OF:  
RESIDENTIAL LOAN  
CENTERS OF AMERICA,  
INC., LICENSE NO. 15843

RESPONDENT

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

Comes now the Arkansas Securities Department ("Department"), by and through its attorney, Karyn Tierney, and for its Request for Revocation of License and for Temporary Suspension of License Pending Hearing, states:

**Administrative Authority**

This matter is in connection with the revocation of a license to conduct business as a mortgage broker and a mortgage banker pursuant to the Arkansas Fair Mortgage Lending Act ("Act"), Ark. Code Ann. §§ 23-39-501 through 23-39-518 and is therefore properly before the Arkansas Securities Commissioner ("Commissioner").

**RESPONDENT**

1. Residential Loan Centers of America, Inc., ("RLC of America") is a corporation organized and existing under the laws of Illinois, with its principal place of business located at 2700 South River Road, Suite 400, Des Plaines, Illinois 60018. RLC of America has been licensed with the Department since June 28, 2004, as a mortgage broker and a mortgage banker. RLC of America's license is scheduled to expire on December 31, 2009.

## **FACTS SUPPORTING REQUEST**

2. On or about February 25, 2009, the Department received a notice of cancellation of bond from Hartford Fire Insurance Company on surety bond number 83BSBCV6248. Department records reflect this surety bond was held by RLC of America. A copy of the cancellation notice is attached hereto as "Exhibit A".

3. The Department notified RLC of America that the surety bond would be cancelled, and that the surety bond must be replaced or reinstated prior to the cancellation. A copy of the notice is attached hereto as "Exhibit B".

4. RLC of America has neither provided a replacement surety bond, nor reinstated the cancelled surety bond; therefore, RLC of America is operating as a mortgage broker and a mortgage banker without a surety bond and is in violation of the Act.

## **LEGAL AUTHORITY**

5. The Act requires a mortgage broker and a mortgage banker licensee to maintain a surety bond with the Department in the amount of \$100,000.00. Ark. Code Ann. § 23-39-505(f)(1).

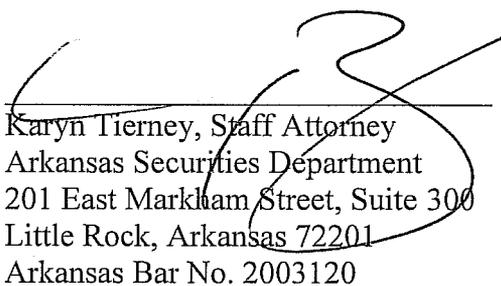
6. The Commissioner may by order deny, suspend, revoke, or refuse to issue or renew a license of a licensee if the Commissioner finds that the order is in the public interest and the licensee or applicant does not meet the bond requirements of the Act. Ark. Code Ann. § 23-39-514(a)(1) and (a)(2)(H).

7. The Commissioner may summarily suspend the license of a licensee pending final determination of any proceeding under the Act. Ark. Code Ann. § 23-39-514(c)(1).

**SUMMARY**

For the reason set forth herein, the Department requests that a hearing be held to consider whether the license of RLC of America should be revoked. The Department further requests that a separate order be entered summarily suspending the license of RLC of America pending a hearing on this Request for Revocation of License and for Temporary Suspension of License Pending Hearing.

Respectfully Submitted,



Karyn Tierney, Staff Attorney  
Arkansas Securities Department  
201 East Markham Street, Suite 300  
Little Rock, Arkansas 72201  
Arkansas Bar No. 2003120  
Telephone: 501-324-9260

7-7-09

Date

MIKE BEEBE  
GOVERNOR

A. HEATH ABSHURE  
COMMISSIONER



HERITAGE WEST BUILDING, SUITE 300  
201 EAST MARKHAM STREET  
LITTLE ROCK, ARKANSAS 72201-1692  
TELEPHONE: (501) 324-9260  
FACSIMILE: (501) 324-9268

## ARKANSAS SECURITIES DEPARTMENT

VIA E-MAIL  
& REGULAR U.S. MAIL

February 27, 2009

Ms. Courtney Barts  
Residential Loan Centers of America, Inc.  
2350 E. Devon Ave.  
Des Plaines, IL 60018

Dear Ms. Barts:

The Department has received notification from your Surety Company that your Mortgage Banker and Mortgage Broker Surety Bond will be terminated. A copy of this notification is enclosed. A copy of the Department's current bond form is also enclosed for your convenience.

Pursuant to Ark. Code Ann. § 23-39-505(f), a \$100,000.00 corporate surety bond must remain in force at all times. If the Department does not receive a new bond or written notice that the above referenced bond has been reinstated, the Commissioner will enter an Order that will (i) revoke your Mortgage Banker and Mortgage Broker license, (ii) will require you to immediately cease engaging in any and all mortgage banking and mortgage brokering activity, and (iii) will require that you provide proof to the Commissioner that all pending mortgage loan applications and/or closed mortgage loans held by you have been transferred to a duly licensed mortgage banker or mortgage broker.

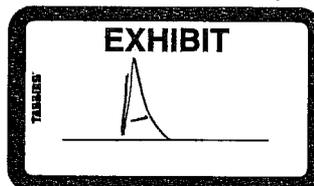
Thank you for your prompt attention to this matter. Please feel free to contact the Department if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Jay Drake".

Jay Drake  
Securities Examiner  
(501) 324-8688

Attachment





RECEIVED

Hartford Fire Insurance Company  
Bond Department

09 FEB 25 AM 7:58

ARKANSAS SECURITIES DEPT.

**NOTICE OF CANCELLATION OF BOND**

February 17, 2009  
Arkansas Securities Dept  
201 East Markham  
Heritage West Bldg, Ste 300  
Little Rock, AR 72201

RE: Residential Loan Centers of America, Inc.

Bond Number: 83BSBCV6248

WHEREAS, on or about \_\_\_\_\_ the Hartford Fire Insurance Company, as Surety, executed its Mortgage Broker/Bankers and Lenders - First/Second Mortgage in the penalty of One Hundred Thousand Dollars (\$ 100,000 ) on behalf of Residential Loan Centers of America, Inc., of Des Plaines, IL 60018 as Principal and in favor of Arkansas Securities Department as Obligee.

WHEREAS, said bond, by its terms, provides that the said Surety shall have the right to terminate its suretyship thereunder by serving notice of its election so to do upon the said Obligee, and

WHEREAS, the Surety desires to take advantage of the terms of said bond and does hereby elect to terminate its liability in accordance with the provisions thereof.

NOW, therefore, be it known that the Hartford Fire Insurance Company shall,

At the expiration of 60 days after receipt of this notice  
 Effective \_\_\_\_\_

Consider itself released from all liability by reason of any default committed thereafter by the said Principal.

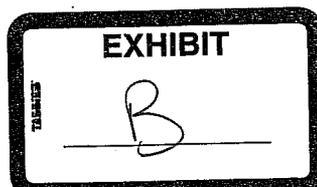
SIGNED and DATED this 17th day of February, 2009.

By: Denise L. Hill  
Denise L. Hill, Attorney-in-Fact

CC: JMB Insurance Agency, Inc  
900 N. Michigan Ave Suite 1500  
Chicago, IL 60611

CC: Residential Loan Centers of America  
2350 E. Devon Ave #300  
Des Plaines, IL 60018

GEN5502



# POWER OF ATTORNEY

Direct Inquiries/Claims to:

**THE HARTFORD**  
 BOND, T-4  
 P.O. BOX 2103, 690 ASYLUM AVENUE  
 HARTFORD, CONNECTICUT 06115  
 call: 888-266-3488 or fax: 860-757-5835  
 Agency Code: 83 555891

KNOW ALL PERSONS BY THESE PRESENTS THAT:

- Hartford Fire Insurance Company, a corporation duly organized under the laws of the State of Connecticut
- Hartford Casualty Insurance Company, a corporation duly organized under the laws of the State of Indiana
- Hartford Accident and Indemnity Company, a corporation duly organized under the laws of the State of Connecticut
- Hartford Underwriters Insurance Company, a corporation duly organized under the laws of the State of Connecticut
- Twin City Fire Insurance Company, a corporation duly organized under the laws of the State of Indiana
- Hartford Insurance Company of Illinois, a corporation duly organized under the laws of the State of Illinois
- Hartford Insurance Company of the Midwest, a corporation duly organized under the laws of the State of Indiana
- Hartford Insurance Company of the Southeast, a corporation duly organized under the laws of the State of Florida

RECEIVED  
 09 FEB 25 AM 11:58  
 ARKANSAS SECURITY DEPT.

having their home office in Hartford, Connecticut (hereinafter collectively referred to as the "Companies") do hereby make, constitute and appoint, up to the amount of UNLIMITED  
 LOU PAZDAN, DANIEL J. SCHWARTZ, DENNIS M. KELLY, LEE A. BRODSKY, DENISE L. HILL  
 OF CHICAGO, ILLINOIS

their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign its name as surety(ies) only as delineated above by , and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof, on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

In Witness Whereof, and as authorized by a Resolution of the Board of Directors of the Companies on January 22, 2004, the Companies have caused these presents to be signed by its Assistant Vice President and its corporate seals to be hereto affixed, duly attested by its Assistant Secretary. Further, pursuant to Resolution of the Board of Directors of the Companies, the Companies hereby unambiguously affirm that they are and will be bound by any mechanically applied signatures applied to this Power of Attorney.



*Paul A. Bergenholtz*  
 Paul A. Bergenholtz, Assistant Secretary

*M. Ross Fisher*  
 M. Ross Fisher, Assistant Vice President

STATE OF CONNECTICUT }  
 COUNTY OF HARTFORD } ss. Hartford

On this 3<sup>rd</sup> day of March, 2008, before me personally came M. Ross Fisher, to me known, who being by me duly sworn, did depose and say: that he resides in the County of Hartford, State of Connecticut; that he is the Assistant Vice President of the Companies, the corporations described in and which executed the above instrument; that he knows the seals of the said corporations; that the seals affixed to the said instrument are such corporate seals; that they were so affixed by authority of the Boards of Directors of said corporations and that he signed his name thereto by like authority.



CERTIFICATE

*Scott E. Paseka*

Scott E. Paseka  
 Notary Public  
 My Commission Expires October 31, 2012

I, the undersigned, Assistant Vice President of the Companies, DO HEREBY CERTIFY that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is still in full force effective as of February 17, 2009  
 Signed and sealed at the City of Hartford.



*Gary W. Stumper*  
 Gary W. Stumper, Assistant Vice President