

BEFORE THE ARKANSAS SECURITIES COMMISSIONER
CASE NO C-10-050
ORDER NO C-10-050-10-CO01

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ARKANSAS SECURITIES DEPT

IN THE MATTER OF:
MERIDIAN INVESTMENTS, INC. d/b/a
MERIDIAN MORTGAGE
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 Arkansas Fair Mortgage Lending Act 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 the Respondent, Meridian Investments, Inc. d/b/a Meridian Mortgage ("Meridian"), in full and final settlement of all claims that could be brought against Meridian by the Staff on the basis of the facts set forth herein.

Meridian admits the jurisdiction of the FMLA and the Arkansas Securities Commissioner ("Commissioner"), waives its right to a formal hearing and appeal, without admitting or denying the findings of facts made herein, consents to the entry of this order and agrees to abide by its terms.

FINDINGS OF FACT

1. Meridian is a mortgage broker company located in Fayetteville, Arkansas, NMLS&R number 141031. Meridian's mortgage broker license with the Arkansas Securities Department ("Department") expires on December 31, 2010.

2. Stephanie Stalbaum ("Stalbaum") was employed and compensated as a loan officer with Meridian during 2008. However, Stalbaum is no longer employed by Meridian. Stalbaum was not licensed as a loan officer with Meridian by the Department under the Arkansas FMLA until June 12, 2008. The Staff has determined that between April 17, 2008, and June 10, 2008, during the time when Stalbaum was employed as a loan officer for Meridian, Stalbaum accepted ten separate mortgage loan application from ten Arkansas residents without being properly licensed by the Commissioner.

LEGAL AUTHORITY AND CONCLUSIONS OF LAW

3. Pursuant to Ark. Code Ann. § 23-39-503(c) it is unlawful for any person other than an exempt person to employ, to compensate, or to appoint as its agent any person to act as a loan officer unless the loan officer is licensed as a loan officer under this subchapter. The acts of Meridian and Stalbaum as detailed in ¶ 2 constitute ten violations of Ark. Code Ann. § 23-39-503(c) by Meridian.

4. Pursuant to Ark. Code Ann. § 23-39-514(a)(1) the entry of this order is in the public interest.

5. Pursuant to Ark. Code Ann. § 23-39-514(k) the FMLA permits the informal disposition of allegations of violations by a consent order. The acts and violations of the FMLA by Meridian as detailed in ¶ 2 warrant the entry of a consent order.

6. 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 loan officer upon a licensee or any 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) and (2). The acts and violations of the FMLA by Meridian as detailed in ¶ 2 warrant the entry of appropriate civil penalty against Meridian as authorized by Ark. Code Ann. § 23-39-514(b)(1) and (2).

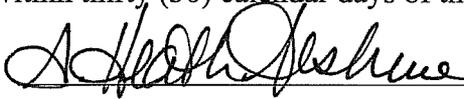
UNDERTAKING

In settlement of this matter, but without admitting or denying the findings of fact made above, Meridian agrees to pay a civil penalty in the amount of \$4,000.00 to the Department.

ORDER

By agreement and with the consent of the Staff and the authorized representative of Meridian, it is hereby ordered that Meridian shall be responsible for the payment of a civil penalty in the amount of \$4,000.00 to the Department. The payment of said civil penalty shall be made by Meridian to the Department within thirty (30) calendar days of the entry of this order.

IT IS SO ORDERED.



A. Heath Abshure
Arkansas Securities Commissioner

April 6, 2010
Date

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.

William Kelly Tribell
William Kelly Tribell, President
Meridian Investments, Inc.

April 2, 2010
Date

Scott S. Freydl
Scott S. Freydl
Staff Attorney, Arkansas Securities Department

4/6/10
Date