

**BEFORE THE ARKANSAS SECURITIES COMMISSIONER  
CASE NO C-10-135**

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ARKANSAS SECURITIES DEPT.

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**IN THE MATTER OF:  
EXPERT FINANCIAL SERVICES, INC. AND  
RICK WHITE, SR.**

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**RESPONDENTS**

**AMENDED 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 Expert Financial Services, Inc. (“Expert”) and Rick White, Sr. (“White”) have violated provisions of the Arkansas Fair Mortgage Lending Act (“FMLA”), Ark. Code Ann. §§ 23-39-501 through 23-39-518.

**Administrative Authority**

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

**Respondents**

2. Expert is a business entity believed by the Staff to have its main office in Livonia, Michigan. Expert has never been licensed under the Arkansas FMLA in any capacity.

3. White is believed by the Staff to be the president of Expert.

4. Cassandra is a financial consultant employed by Expert to act as a loan officer with Arkansas residents. No loan officer employed by Expert has ever been licensed as a loan officer with Expert under the Arkansas FMLA.

**Facts Supporting Request for Cease and Desist Order**

5. Arkansas resident one (“AR1”) initially contacted Expert, after viewing a television advertisement for Expert’s mortgage loan modification services. On or about March 8, 2010,

AR1 received a solicitation letter from Cassandra, a financial consultant employed by Expert. A copy of Cassandra's solicitation letter is attached hereto as "Exhibit 1". AR1's residence is located in Lowell, Arkansas. In her letter Cassandra states that "it is virtually guaranteed that we will succeed in completing your loan modification in a timely and efficient manner". Cassandra's letter also states that "The following is what we will be able to do for you, should you choose our company to help you with your current financial situation: 1) prevent foreclosure, 2) bring your late payment status back to current on your real estate taxes, 3) lower your mortgage interest rate, 4) lower your mortgage payment". After AR1 received Cassandra's letter, AR1 decided not to hire or send any money to Expert.

6. On March 8, 2010, and again on April 9, 2010, members of the Staff sent letters requesting information from Expert concerning Expert's mortgage loan activity in Arkansas. Expert did not respond in any way to either of these requests for information. On May 11, 2010, the Commissioner entered an Order of Investigation that granted Staff Attorney Scott Freydl the authority to issue subpoenas. On June 22, 2010, a Subpoena Dues Tecum was issued by Attorney Freydl requesting information concerning Expert's mortgage loan activity in Arkansas. Although the subpoena was served on White, as president of Expert on June 30, 2010, the Staff received no response of any kind from Expert. A copy of the Affidavit of Service of this Subpoena Dues Tecum on White, as president of Expert, is attached hereto as "Exhibit 2".

### **Applicable Law**

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

8. Rule 5003-3(c)(2) states that any person who directly supervises individuals who solicit, accept, or negotiate; or offer or attempt to solicit, accept, or negotiate loan modifications for compensation or gain are required to be licensed as mortgage brokers.

9. Ark. Code Ann. § 23-39-503(c) states that it is unlawful for any person other than an exempt person to employ, to compensate, or appoint as its agent any person to act as a loan officer unless the loan officer is licensed as a loan officer under the Arkansas FMLA.

10. Rule 5003-3(c)(1) states that a person offering or negotiating loan modification services is, at least at a minimum, indirectly acting as a loan officer. Therefore, any person who directly or indirectly solicits, accepts, or negotiates; or offers or attempts to solicit, accept, or negotiate loan modifications for a borrower; and receives compensation or gain is required to be licensed as a loan officer.

11. Ark. Code Ann. § 23-39-513(13) states it is unlawful for any person to unreasonably fail to deliver or provide information or documents promptly to the commissioner upon written request.

12. Ark. Code Ann. § 23-39-514(d) 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**

13. Expert and White, as president of Expert, violated Ark. Code Ann. § 23-39-503(b) when Expert and White, as president of Expert, attempted to act as a mortgage broker with AR1 without first being licensed under the Arkansas FMLA.

14. Expert and White, as president of Expert, violated Ark. Code Ann. § 23-39-503(c) when it and he allowed an employee of Expert to attempted to act as a loan officer with AR1 without first being licensed under the Arkansas FMLA.

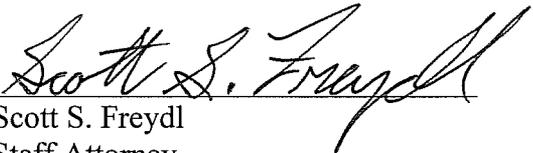
15. Expert and White, as president of Expert, violated Ark. Code Ann. § 23-39-513(13) when it and he repeatedly failed to respond to written requests for information and a lawfully issued subpoena concerning Expert's mortgage loan activity in Arkansas.

16. The conduct, acts, and practices of Expert and White, as president of Expert, threaten 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(d).

### **Prayer for Relief**

**WHEREFORE**, the Staff respectfully requests that the Commissioner order Expert Financial Services, Inc. and Rick White, Sr. to immediately CEASE AND DESIST from acting or attempting to act as a mortgage broker and/or allowing its employees to act or attempt to act as loan officers in the State of Arkansas until it and they are properly licensed under the Arkansas FMLA, and, for all other relief to which the Staff may be entitled.

Respectfully submitted,

  
\_\_\_\_\_  
Scott S. Freydl  
Staff Attorney  
Arkansas Securities Department

9/22/10  
\_\_\_\_\_  
Date

# EXPERT FINANCIAL SERVICES, INC.

34020 Seven Mile Rd Ste. 100 • Livonia, MI 48152 • Phone (800) 557-5144 • Fax (888) 318-5309 • [www.expfinser.com](http://www.expfinser.com)

Dear 

September 14, 2010

Thank you for considering Expert Financial Services, Inc. to assist you with your financial needs. You are just a few steps closer to dramatically improving your way of life and securing a solid financial future. Utilizing our expert negotiators and attorneys on staff, it is virtually guaranteed that we will succeed in completing your loan modification in a timely and efficient manner.

The following list is what we will be able to do for you, should you choose our company to help you with your current financial situation:

- 1.) Prevent foreclosure
- 2.) Bring your payment status back to current on your real estate taxes
- 3.) Lower your mortgage interest rate
- 4.) Lower your mortgage payment

My Senior Manager will be in contact with you shortly to go over the details thoroughly. Time is of the essence, so please respond as soon as you are able.

If you have any questions or concerns please contact our office, thank you!

Warm Regards,

**Cassandra**

Financial Consultant

EXPERT FINANCIAL SERVICES, INC.

Office Line: 800-557-5144

Facsimile Line: 888-318-5309

Exhibit 2  
**AFFIDAVIT OF SERVICE**

State of Arkansas

Case Number: C-10-135-10-SB02 Court Date: 7/22/2010

ORIGINAL  
AFFIDAVIT

IN THE MATTER OF:  
EXPERT FINANCIAL SERVICES, INC.

vs.  
Respondent:  
RICK WHITE, SR

Received by ACTION PROCESS SERVICE to be served on EXPERT FINANCIAL SERVICES, INC. BY SERVING: RICK WHITE, SR, AT: 34020 WEST SEVEN MILE ROAD, SUITE 100, LIVONIA, MI 48152, (800) 557-5144. I, Jerry L. Hogan, being duly sworn, depose and say that on the 30 day of June, 2010 at 11:20 a.m., executed service by delivering a true copy of the LETTER, SUBPOENA DUCES TECUM WITH A COURT DATE OF JULY 22, 2010 AND EXHIBIT A in accordance with state statutes in the manner marked below:

- Corporate Service: by serving (name) Rick White, SR. as (title) President, (authorized agent).
- Registered Agent: \_\_\_\_\_
- Attorney of Record: \_\_\_\_\_
- This service was completed at (circle) home or (work) (address provided) other (see below).
- Other address: \_\_\_\_\_
- Non Served: vacant - unknown by resident - moved - deceased - cancelled no longer employed - no such address - out of time - no such person - non est
- This service was attempted at the (circle one) home - work - both (address/addresses) provided.

COMMENTS:

Age 45-55 Sex (M) Race Black Height 5'11-6" Weight over 200 lbs. Hair black Glasses Y (N)

I have no interest in the above action, I am of legal age, I have proper authority in the jurisdiction in which this service was made and all statements above are true.

Acknowledged by,

Shelli Boush June  
Notary Public

Jerry L. Hogan  
JERRY L. HOGAN

PROCESS SERVER # \_\_\_\_\_  
Appointed in accordance with State Statutes

My Commission Expires: 1-30-13  
SHELLI BARISH FEINBERG  
NOTARY PUBLIC, STATE OF MI  
COUNTY OF OAKLAND  
MY COMMISSION EXPIRES Jan 30, 2013  
ACTING IN COUNTY OF \_\_\_\_\_

ACTION PROCESS SERVICE  
3215 Laredo Drive  
Little Rock, AR 72206  
(501) 888-5706

Our Job Serial Number: 2010013462