

BEFORE THE ARKANSAS SECURITIES COMMISSIONER

CASE NO. C-10-138

RECEIVED

10 JUL 14 PM 1:55

ARKANSAS SECURITIES DEF

IN THE MATTER OF:

ALLEN MORTGAGE, LLC
NMLS&R NO. 3147

RESPONDENT

REQUEST FOR REVOCATION OR SUSPENSION OF LICENSE AND HEARING

Comes now the Staff of the Arkansas Securities Department (“Staff”), by and through its attorney, Karyn Tierney, and for its Request for Revocation or Suspension of License and Hearing, states:

ADMINISTRATIVE AUTHORITY

This matter is in connection with the revocation or suspension of a license to conduct business as 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. Allen Mortgage, LLC (“Allen Mortgage”) is a limited liability company organized and existing under the laws of Utah, with its principal place of business located at 1675 South Berry Knoll Blvd., Centennial Park, Arizona. Allen Mortgage has been licensed as a mortgage banker by the Arkansas Securities Department (“Department”) since May 22, 2007. Allen Mortgage’s mortgage banker’s license is scheduled to expire on December 31, 2010.

FINDINGS OF FACT

2. Each mortgage banker licensed by the Department is required to file an annual report of mortgage activity with the Department by March 31 of each year. Allen Mortgage failed to file an annual report of mortgage activity with the Department.

3. The Staff contacted Allen Mortgage through the NMLS&R system on April 14, 2010, and by certified mail May 18, 2010, concerning the failure of Allen Mortgage to file its annual report of mortgage activity in Arkansas by the March 31, 2010, deadline.

4. As of the date of this filing, Allen Mortgage has failed to remit the required annual report of mortgage activity to the Department.

5. Pursuant to Ark. Code Ann. § 23-39-514(a)(1) and (a)(2)(B) the commissioner may suspend or revoke the Arkansas mortgage banker's license of Allen Mortgage for failing to file its annual report of mortgage activity with the Department in violation of Ark. Code Ann. §§ 23-39-506(a)(2)(A), Rule 5006-2 of the Rules of the Fair Mortgage Lending Act, and Commissioner's Order No. C-10-037-10-OR01. Specifically, Allen Mortgage should have filed its annual report of mortgage activity with the Department no later than March 31, 2010.

6. Pursuant to Ark. Code Ann. § 23-39-514(b)(1)-(2), the Commissioner should impose a civil penalty against Allen Mortgage that shall not exceed \$10,000.00 for each violation under the Act.

CONCLUSIONS OF LAW

7. The Act states that each licensed mortgage banker wishing to renew its license shall file an annual report of mortgage activity. Ark. Code Ann. § 23-39-506(a)(2)(A).

8. Rule 5006-2 of the Rules of the Fair Mortgage Lending Act states that each mortgage banker licensed in Arkansas at anytime during the reporting period shall file a report containing information regarding the licensee's mortgage activity in Arkansas by March 31 of the calendar year.

9. By Order No. C-10-037-10-OR01, titled In The Matter of: Arkansas Fair Mortgage Lending Act, Ark Code Ann. § 23-39-506(a)(2), the Commissioner ordered that each mortgage banker licensed under the Act must file an annual report of mortgage activity directly with the Department by March 31, 2010.

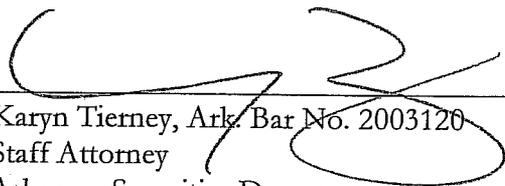
10. The Commissioner may by order deny, suspend, revoke, or refuse to issue or renew a license of a licensee if the Commissioner finds that the order is in the public interest and the licensee has violated or failed to comply with any provision of the Act, any rule adopted by the Commissioner, or any order of the Commissioner. Ark. Code Ann. § 23-39-514(a)(1) and (a)(2)(B).

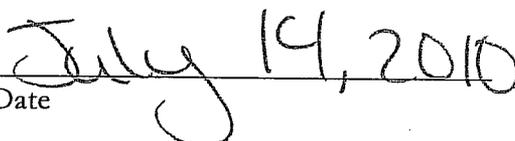
11. The Commissioner by order may impose a civil penalty that shall not exceed \$10,000.00 for each violation by a mortgage banker upon a licensee or partner, officer, director, member, manager, or other person occupying a similar status or performing a similar function on behalf of a licensee for any violation of the Act. Ark. Code Ann. § 23-39-514(b)(1) and (2).

REQUESTED RELIEF

For the reasons set forth herein, the Staff requests that a hearing be held to consider whether the mortgage banker license of Allen Mortgage should be revoked or suspended, as well as the imposition of a reasonable civil penalty, for Allen Mortgage's failure to file its annual report of mortgage activity with the Department in violation of Ark. Code Ann. § 23-39-506(a)(2)(A), Rule 5006-2 of the Rules of the Fair Mortgage Lending Act, and Commissioner's Order No. C-10-037-10-OR01.

Respectfully Submitted,


Karyn Tierney, Ark. Bar No. 2003120
Staff Attorney
Arkansas Securities Department
201 East Markham Street, Suite 300
Little Rock, Arkansas 72201
Telephone: (501) 324-8671


Date