

**STATE OF ARKANSAS
SECURITIES DEPARTMENT**

IN THE MATTER OF

**LIBERTY FINANCIAL GROUP, INC.
FORT SMITH, AR**

ORDER NO. 01-043-M

**CEASE AND DESIST ORDER AND
REVOCATION OF MORTGAGE LOAN COMPANY
REGISTRATION CERTIFICATE**

Arkansas Securities Commissioner Mac Dodson, upon sufficient evidence presented to him, has reason to believe that **LIBERTY FINANCIAL GROUP, INC.** has failed to comply with the provisions of the Arkansas Mortgage Loan Company and Loan Broker Act, Ark. Code Ann. § 23-39-101, *et seq.*, and has thereby lost its registration certificate.

FINDINGS OF FACT

1. **LIBERTY FINANCIAL GROUP, INC.** was formed as an Arkansas corporation on September 6, 2000.
2. The Department received an application for registration as a mortgage loan company from **LIBERTY FINANCIAL GROUP, INC.** on October 24, 2000. The application was approved and a registration certificate issued October 24, 2000.
3. On August 9, 2001, the Department received Notice of Cancellation from the Hartford Fire Insurance Company reflecting that **LIBERTY FINANCIAL GROUP, INC.'s** Surety Bond Number 38BSBAM3683-282 would be terminated October 6, 2001.

4. By certified letter dated August 9, 2001, Rhys Rogers, an Examiner Supervisor with the Department, advised **LIBERTY FINANCIAL GROUP, INC.** that the Act required the \$35,000.00 surety bond to remain in force at all times, enclosed a copy of the Notice of Cancellation received from the Hartford Fire Insurance Company, and requested that **LIBERTY FINANCIAL GROUP, INC.** file a replacement bond within fifteen (15) days of the receipt of the letter. The signed return receipt reflects that **LIBERTY FINANCIAL GROUP, INC.** received the August 9, 2001, certified letter August 13, 2001.
5. Pursuant to the Notice of Cancellation, **LIBERTY FINANCIAL GROUP, INC.'s** \$35,000.00 surety bond issued by the Hartford Fire Insurance Company expired on October 6, 2001, and **LIBERTY FINANCIAL GROUP, INC.** has not filed a replacement surety bond.

CONCLUSIONS OF LAW

6. The Commissioner is charged with the administration and enforcement of the Act pursuant to Ark. Code Ann. § 23-39-201 (Repl. 1994).
7. Ark. Code Ann. § 23-39-304(a)(1) (Supp. 1999) requires each mortgage loan company to deposit a \$35,000.00 corporate surety bond with the Commissioner.
8. Ark. Code Ann. § 23-39-307(a)(3) (Supp. 1999) provides for revocation of a registration if the company does not conduct its business in accordance with law or has violated any provision of the Act.

OPINION

9. This matter has been properly brought before the Commissioner in accordance with Ark. Code Ann. § 23-39-201 (Repl. 1994). **LIBERTY FINANCIAL GROUP, INC.'s** failure to maintain a \$35,000.00 surety bond in accordance with Ark. Code Ann. § 23-39-304(a)(1) (Repl. 1999) is a violation of the Act and grounds to revoke **LIBERTY FINANCIAL GROUP, INC.'s** registration certificate.
10. Pursuant to Ark. Code Ann. § 23-39-307(a)(3) (Supp. 1999), the Commissioner can and should revoke **LIBERTY FINANCIAL GROUP, INC.'s** registration certificate.
11. This order is in the public interest.

ORDER

IT IS THEREFORE ORDERED pursuant to Ark. Code Ann. § 23-39-202(b)(1) that **LIBERTY FINANCIAL GROUP, INC.** CEASE AND DESIST from engaging in all mortgage loan and loan brokering activities which are in violation of the Act including advertising, offering and conducting mortgage loan company and loan brokering business.

IT IS FURTHER ORDERED that the registration certificate provided **LIBERTY FINANCIAL GROUP, INC.** under Ark. Code Ann. § 23-39-301 (Supp. 1999) be revoked in accordance with Ark. Code Ann. § 23-39-307(a)(3) (Supp. 1999).

IT IS FURTHER ORDERED that all pending mortgage loan applications now held by **LIBERTY FINANCIAL GROUP, INC.** shall immediately be transferred to a duly registered or exempted mortgage loan company or loan broker and proof of such filed within ten (10) days of the receipt of this order.

LIBERTY FINANCIAL GROUP, INC. is hereby notified of its right to a hearing regarding this matter. However, if no written application for a hearing is made within twenty (20) days of the entry of this order, this order will become final.

WITNESS MY HAND AND SEAL this 15th day of October 2001.



MAC DODSON

ARKANSAS SECURITIES COMMISSIONER