

**STATE OF ARKANSAS
SECURITIES DEPARTMENT**

IN THE MATTER OF

**WESLEY STEVEN SNODGRASS
Former President and Owner of
TBS Investments, Inc.
d/b/a American Residential Mortgage**

RESPONDENT

ORDER NO. C-06-018-06-CD02

CEASE AND DESIST ORDER

On this date before the Arkansas Securities Commissioner (hereinafter referred to as the "Commissioner") is the matter of the above referenced individual (hereinafter referred to as "Respondent"), and the issue of his compliance with the Arkansas Fair Mortgage Lending Act (hereinafter referred to as "the Act"). The Staff of the Arkansas Securities Department (hereinafter referred to as the "Staff"), alleges that Respondent has failed to comply with the proper licensing requirements of the Act, and has obtained evidence indicating Respondent is conducting business in the State of Arkansas without a loan officer license in violation of Order Suspending License C-06-018-06-CD01 that directs TBS Investments, Inc. d/b/a American Residential Mortgage ("TBS") to Cease and Desist mortgage loan activity within the State of Arkansas. Based upon the records on file with the Commissioner, and the representations of Staff, the Commissioner finds:

FINDINGS OF FACT

1. The Act became effective on January 1, 2004. A requirement of the Act is that any person employed as a loan officer with a registered mortgage loan company be licensed with the Arkansas Securities Department (hereinafter referred to as “Department”) in order to do business in the State of Arkansas. In addition, a requirement of the Act includes maintenance with the Department of a surety bond by mortgage brokers of fifty-thousand dollars (\$50,000.00).
2. Respondent previously was the President, owner, and an associated licensed loan officer for TBS located at 802 North 2nd Street, Suite A, Cabot, Arkansas 72023, a licensed mortgage broker. He held loan officer license number 15741.
3. The surety bond on file (40083112) for TBS in the amount of fifty thousand dollars was cancelled effective January 16, 2006.
4. Order Suspending License C-06-018-06-CD01 due to the cancellation of the surety bond on file was entered on May 5, 2006. The Order directed the TBS to Cease and Desist mortgage loan activity within the State of Arkansas. All associated loan officer licenses, including Respondent’s loan officer license, were cancelled.
5. The Staff has received documentation that Respondent continued to conduct mortgage loan business as a loan officer for TBS after entry of Order No. C-06-018-06-CD01. Respondent solicited and accepted a Loan Application (Form 1003) from a borrower.
6. Respondent has been provided by the Staff with adequate and sufficient notice of the Order Suspending License based upon cancellation of the surety bond via

certified and regular mail to the last known address of the licensing contact for TBS.

APPLICABLE CODE PROVISIONS

7. Ark. Code Ann. § 23-39-503 (b) provides 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.
8. Ark. Code Ann. § 23-39-505 (f) (1) provides that each mortgage broker shall post a surety bond in the amount of fifty-thousand dollars (\$50,000.00).
9. Ark. Code Ann. § 23-39-514 (b) (1) provides that upon finding that any action of a person is in violation of the Act, the Commissioner may summarily order the person to cease and desist from the prohibited action.

CONCLUSIONS OF LAW

10. Respondent is acting as an unlicensed loan officer conducting unauthorized mortgage loan business in the State of Arkansas in violation of the Order Suspending License No. C-06-018-06-CD01.
11. The Commissioner is authorized to order a person to cease and desist from a prohibited action upon a finding of a violation of the Act or any Order issued under the Act. Ark. Code Ann. § 23-39-514 (b) (1)

ORDER

IT IS HEREBY ORDERED that Respondent CEASE and DESIST, effective immediately, from all mortgage loan brokering activities in Arkansas. Failure to comply with the Cease and Desist provision of this order may subject the Respondent to a civil penalty of up to twenty-five thousand dollars (\$25,000.00) per violation. Ark. Code Ann. § 23-39-514 (d)(3)(A).

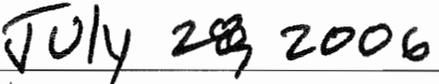
IT IS FURTHER ORDERED that all pending mortgage loan applications now held by Wesley Steven Snodgrass, last known address of 90 Greystone Blvd., Cabot, Arkansas 72023 shall immediately be transferred to a duly registered loan officer and proof of such filed with the Department within fifteen (15) days of the date this Order is mailed to Respondent.

Respondent may request a hearing before the Commissioner in accordance with Ark. Code Ann. § 23-39-514. Any request for a hearing must be made in writing and delivered to the Commissioner within thirty (30) days from the date on which notice of the order is sent by the Commissioner to the addresses mentioned above by first class mail, postage prepaid. If the Respondent does not request a hearing and the Commissioner does not order a hearing, the order will remain in effect until it is modified or vacated by the Commissioner.

IT IS SO ORDERED:



Michael B. Johnson
Arkansas Securities Commissioner



Date