

**STATE OF ARKANSAS
SECURITIES DEPARTMENT**

IN THE MATTER OF

ORDER NO. C-07-017-RV01

LICENSE NO. 10197

DANA CAPITAL GROUP, INC.

RESPONDENT

ORDER REVOKING LICENSE

On this date before the Arkansas Securities Commissioner (hereinafter referred to as the “Commissioner”) is the matter of DANA CAPITAL GROUP, INC. (hereinafter referred to as “Respondent”), and the issue of its compliance with the Arkansas Fair Mortgage Lending Act (hereinafter referred to as the “FMLA”). Securities Department Staff (hereinafter referred to as the “Staff”) allege that Respondent has failed to comply with the qualifications, financial responsibility, character, or general fitness requirements under Ark. Code Ann. § 23-39-505 or any bond or net worth requirements of the FMLA. Based upon the records on file with the Commissioner, and the representations of Staff, the Commissioner finds:

FINDINGS OF FACT

1. Respondent is licensed in the State of Arkansas as a mortgage broker and mortgage banker under Arkansas license number 10197.
2. The files on record with the Commissioner reflect that the surety bond Respondent has on file (14BSBB03989) in the amount of one hundred thousand dollars (\$100,000) has been cancelled.

APPLICABLE CODE PROVISIONS

3. Ark. Code Ann. § 23-39-505 (a) (3) (E) provides that with respect to each mortgage banker, mortgage broker and mortgage servicer application, the application shall contain the applicant's financial condition and business history.
4. Ark. Code Ann. § 23-39-505 (f) (1) provides each mortgage banker and mortgage servicer shall post a surety bond in the amount of one hundred thousand dollars (\$100,000) and shall run to the State for the benefit of any claimants against the licensee to secure the faithful performance of the obligations of the licensee under the FMLA.
5. Ark. Code Ann. § 23-39-514 provides that the Commissioner is charged with the duty of issuing licenses for mortgage brokers and mortgage bankers under the FMLA and regulating the conduct of such persons.
6. Ark. Code Ann. § 23-39-514 (a) (1) and (3) (H) provides that the Commissioner may, by order revoke a license of any licensee if the Commissioner finds that the order is in the public interest and does not meet the qualifications or the financial responsibility, character, or general fitness requirements under § 23-39-505 or any bond or net worth requirements under the FMLA.

CONCLUSIONS OF LAW

7. This matter has been properly brought before the Commissioner and is in the public interest.

8. The surety bond Respondent has on file with the Department has been cancelled.
9. Respondent does not meet the qualifications or the financial responsibility, character, or general fitness requirements under § 23-39-505 or any bond or net worth requirements under the FMLA.
10. Respondent is a licensed mortgage banker and mortgage broker with the Department. Respondent is required to maintain a surety bond with the Department. Respondent has failed to do so and has no intent to acquire a new surety bond or reinstate the cancelled surety bond.
11. The FMLA authorizes the Commissioner to revoke the license of a licensee if the Commissioner finds that the Order is in the public interest and if Respondent does not meet the meet the qualifications or the financial responsibility, character, or general fitness requirements under § 23-39-505 or any bond or net worth requirements under the FMLA due to the cancellation of their surety bond.

ORDER

IT IS HEREBY ORDERED that the license of Respondent is revoked effective immediately. Respondent shall immediately CEASE and DESIST from transacting the business of a mortgage banker and mortgage broker, or otherwise engaging in mortgage loan or loan brokering activities in Arkansas.

Securities Department staff is hereby authorized to monitor Respondent's compliance with this Order, and promptly report any violations. Securities Department legal counsel is authorized to conduct sworn examinations of any persons who may have information relevant to this inquiry. Respondent is admonished that any violations of this

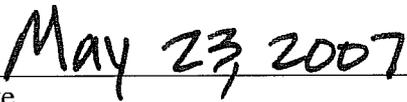
Order will result in the initiation of legal proceedings before the Circuit Court of Pulaski County by Securities Department legal counsel.

Respondent may request a hearing before the Commissioner. Any request for a hearing must be made in writing within thirty (30) days from the date on which notice of the order is sent by the Commissioner to the address of the licensee on file with the Commissioner by first class mail, postage prepaid. If a licensee 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