

**STATE OF ARKANSAS
SECURITIES DEPARTMENT**

IN THE MATTER OF

ORDER NO. C-07-041-07-OR01

LICENSE NO. 26203

QUICK LOAN FUNDING, INC.

RESPONDENT

ORDER SUSPENDING LICENSE

On this date before the Arkansas Securities Commissioner (hereinafter referred to as the “Commissioner”) is the matter of the above referenced firm (hereinafter referred to as “Respondent”), and the issue of its compliance with the Arkansas Fair Mortgage Lending Act (hereinafter referred to as the “FMLA”). Arkansas Securities Department Staff (hereinafter referred to as the “Staff”) alleges that Respondent has failed to comply with the surety bond requirement of the FMLA. Based upon the records on file with the Commissioner, and the representations of the Staff, the Commissioner finds:

FINDINGS OF FACT

1. The FMLA became effective on January 1, 2004. A requirement of the FMLA includes maintenance of a surety bond at the Arkansas Securities Department (hereinafter referred to as “Department”) of fifty thousand dollars (\$50,000.00) in the case of mortgage brokerage firms, and one-hundred thousand dollars (\$100,000.00) in the case of mortgage banking and mortgage servicing firms.

2. Respondent is licensed by the Commissioner as a mortgage banker, mortgage broker and mortgage servicer with the State of Arkansas. According to records maintained on file with the Department, the Commissioner initially issued a mortgage banker, mortgage broker and mortgage servicer license to Respondent to engage in the business of mortgage lending on or about October 11, 2005 as License No. 26203.
3. Respondent is, and at all relevant times since licensure, has been a corporation conducting business in Arkansas. Respondent's main office is located at 535 Anton Boulevard, Suite 600, Costa Mesa, California 92626-1947.
4. The files on record with the Department reflect that Respondent's surety bond on file (83BSBDM3022) in the amount of one-hundred thousand dollars (\$100,000.00) was cancelled effective November 2, 2007.
5. On September 6, 2007 Respondent was provided with notice of the impending cancellation of the surety bond.
6. On November 5, 2007 the Staff provided the Respondent with notice of its intention to seek suspension of its license due to its failure to comply with the surety bond requirement.

APPLICABLE CODE PROVISIONS

7. Ark. Code Ann. § 23-39-514 provides that the Commissioner is charged with the duty of issuing licenses for mortgage bankers, mortgage brokers and mortgage servicers under the FMLA and regulating the conduct of such persons.
8. Ark. Code Ann. § 23-39-514 (c) (1) provides that the Commissioner may, by order, summarily postpone or suspend the license of a licensee pending final determination of any proceeding under this section.

9. Ark. Code Ann § 23-39-505 (f) (1) provides that each mortgage banker, mortgage broker and mortgage servicer shall post a surety bond in the amount of one-hundred thousand dollars (\$100,000.00).

CONCLUSIONS OF LAW

10. This matter has been properly brought before the Commissioner.
11. The FMLA requires each mortgage banker, mortgage broker and mortgage servicer doing business in Arkansas to post a surety bond with the Commissioner in the amount of one-hundred thousand dollars (\$100,000.00). Ark. Code Ann. § 23-39-505 (f) (1).
12. Respondent is a licensed mortgage banker, mortgage broker and mortgage servicer with the Department. Respondent is required to maintain a surety bond in the amount of one-hundred thousand dollars (\$100,000.00) at all times. Ark. Code Ann. § 23-39-505 (f) (1).
13. Respondent's previous surety bond on file with the Commissioner expired as of November 2, 2007. Respondent has not provided a new surety bond or written confirmation that the surety bond on file has been reinstated.
14. Respondent has been provided by the Staff with adequate and sufficient notice of the impending cancellation of the surety bond.
15. The Commissioner is authorized to suspend the license of a licensee who has violated or failed to comply with any provision of the FMLA. Ark Code Ann. §23-39-514 (c) (1).

16. Respondent has been provided with adequate and sufficient notice of the Staff's intent to seek suspension of its license due to its failure to comply with the surety bond requirement.

ORDER

IT IS HEREBY ORDERED that the license of the Respondent is hereby suspended, effective immediately, until such time as Respondent has complied with the surety bond requirement of the FMLA. Respondent is hereby ordered to Cease and Desist from all mortgage loan originating, brokering and servicing activities in Arkansas until such time as compliance with the surety bond requirement of the FMLA is achieved and this Order is modified or vacated.

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 last address on file with the Commissioner by first class mail, postage prepaid. If the Respondents do 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:



A. Heath Abshure
Arkansas Securities Commissioner

12/10/2007
Date