

BEFORE THE ARKANSAS SECURITIES COMMISSIONER
CASE NO C-09-074

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ARKANSAS SECURITIES DEPT.

IN THE MATTER OF:
GRIFFIN FINANCIAL MORTGAGE, LLC,
ROBERT E. GRIFFIN, II, AND
ROSALYN KAY RICHARDS

ORDER NO C-09-074-09-CO01

CONSENT ORDER

This Consent Order is entered pursuant to the Arkansas Fair Mortgage Lending Act ("FMLA"), Ark. Code Ann. §§ 23-39-501 through 23-39-518, the Rules of the Arkansas Fair Mortgage Lending Act and the Arkansas Administrative Procedures Act, codified at Ark. Code Ann. §§ 25-15-101 through 25-15-219, in accordance with an agreement by and between the Staff of the Arkansas Securities Department ("Staff") and the Respondents, Griffin Financial Mortgage, LLC ("Griffin Financial"), Robert E. Griffin, II ("Griffin"), and Rosalyn Kay Richards ("Richards"), in full and final settlement of all claims that could be brought against Griffin Financial, Griffin, and Richards by the Staff on the basis of the facts set forth herein.

Griffin Financial, Griffin, and Richards admit the jurisdiction of the FMLA and the Arkansas Securities Commissioner ("Commissioner"), waive its, his, and her right to a formal hearing and, without admitting or denying the findings of facts made herein, consent to the entry of this order and agree to abide by its terms.

FINDINGS OF FACT

1. Griffin Financial is a mortgage broker company located in Forth Worth, Texas, license number 51377. Griffin Financial is currently licensed as a mortgage broker by the Arkansas Securities Department ("Department"). Griffin Financial's license as a mortgage broker is scheduled to expire on December 31, 2009.

2. Griffin is a loan officer employed by Griffin Financial. Griffin is licensed as a mortgage loan officer, license number 58965, by the Department. Griffin's license as a mortgage loan officer is scheduled to expire on December 31, 2009.

3. Richards was a loan officer employed by Griffin Financial. Richards was licensed as a mortgage loan officer, license number 187574, by the Department. Richards' license as a mortgage loan officer expired on December 31, 2008.

4. The Staff has determined that on or about March 2008, Griffin was involved in initiating one mortgage loan for an Arkansas resident, during the time period when Griffin was not properly licensed as a loan officer by the Commissioner.

5. The Staff has determined that in March 2009, during the time when Richards worked as loan officer for Griffin Financial, Richards was involved in initiating two mortgage loans for Arkansas residents without being properly licensed by the Commissioner. Further, Richards' loan officer license terminated on December 31, 2008, and has not been properly renewed since.

LEGAL AUTHORITY AND CONCLUSIONS OF LAW

6. Pursuant to Ark. Code Ann. § 23-39-503(b) it is unlawful for any person other than an exempt person to act or attempt to act, directly or indirectly, as a loan officer with any person located in Arkansas without first obtaining a license from the Securities Commissioner under this subchapter. The acts of Griffin as detailed in ¶4 constitute a violation of Code Ann. § 23-39-503(b) by Griffin.

7. Pursuant to Ark. Code Ann. § 23-39-503(a) it is unlawful for any person located in Arkansas other than an exempt person to act or attempt to act, directly or indirectly, as a loan officer without first obtaining a license from the Securities Commissioner under this subchapter.

The acts of Richards as detailed in ¶5 constitute a separate violation of Code Ann. § 23-39-503(a) for each of the two mortgage loan initiated by Richards.

8. Pursuant to Ark. Code Ann. § 23-39-503(c) it is unlawful for any person other than an exempt person to employ, to compensate, or to appoint as its agent any person to act as a loan officer unless the loan officer is licensed as a loan officer under this subchapter. The acts of Griffin Financial as detailed in ¶¶4-5 constitute three violations of Ark. Code Ann. § 23-39-503(c)

9. Pursuant to Ark. Code Ann. § 23-39-514(a)(1) the entry of this order is in the public interest.

10. Pursuant to Ark. Code Ann. § 23-39-514(k) the FMLA permits the informal disposition of an allegation by a consent order. The acts and violations of the FMLA by Griffin Financial, Griffin, and Richards as detailed in ¶¶4-8 warrant the entry of a consent order.

11. The Commissioner by order may impose a civil penalty that shall not exceed \$10,000.00 for each violation by a mortgage banker, mortgage servicer, or loan officer upon a licensee or any 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 FMLA. Ark. Code Ann. § 23-39-514(b)(1) and (2). The acts and violations of the FMLA by Griffin Financial, Griffin, and Richards as detailed in ¶¶4-8 warrant the entry of appropriate civil penalties against Griffin Financial, Griffin, and Richards as authorized by Ann. § 23-39-514(b)(1) and (2).

ORDER

By agreement and with the consent of the Staff, the authorized representative of Griffin Financial, Griffin, and Richards, it is hereby ordered that Griffin Financial shall be responsible

for the payment of a civil penalty in the amount of \$3,000.00 to the Arkansas Securities Department. In addition, Griffin shall be responsible for the payment of a civil penalty in the amount of \$1,000.00 to the Arkansas Securities Department. It is also ordered that Richards shall be responsible for the payment of a civil penalty in the amount of \$1,000.00 to the Arkansas Securities Department. Further, Richards shall obtain a mortgage loan officer's license from the Department prior to engaging in any mortgage loan activity in Arkansas. The payment of said civil penalties shall be made by Griffin Financial, Griffin, and Richards to the Arkansas Securities Department within thirty (30) calendar days of the entry of this order.

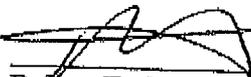
IT IS SO ORDERED.



A. Heath Abshire
Arkansas Securities Commissioner

December 30, 2009
Date

I hereby agree to the entry of this Consent Order, and consent to all terms, conditions, and orders contained therein, and waive any right to an appeal from this order.



Robert E. Griffin, II, individually and as managing member of
Griffin Financial Mortgage, LLC

12-28-09
Date



Rosalyn Kay Richards

December 18, 2009
Date



Scott S. Freydl
Staff Attorney, Arkansas Securities Department

12/29/09
Date