

BEFORE THE ARKANSAS SECURITIES COMMISSIONER
CASE NO C-10-049
ORDER NO C-10-049-10-CD01

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ARKANSAS SECURITIES DEPT.

IN THE MATTER OF:
TOM D. FLORES

RESPONDENT

CEASE AND DESIST ORDER

On June 1, 2010, the Staff of the Arkansas Securities Department (“Staff”) filed a Request for a Cease and Desist Order (“Request”), stating that it has information and certain evidence in its possession that indicates Tom D. Flores has violated provisions of the Arkansas Fair Mortgage Lending Act (“FMLA”), Ark. Code Ann. §§ 23-39-501 through 23-39-518. The Arkansas Securities Commissioner (“Commissioner”) has reviewed the Request, and based upon representations made therein, finds that:

FINDINGS OF FACT

The Staff’s Request asserts the following representations of fact:

1. Tom D. Flores (“Flores”) is an individual person believed by the Staff to be living in Fayetteville, Arkansas. Flores has never been licensed by the Arkansas Securities Department (“Department”) as a mortgage broker or loan officer.
2. On or about January 11, 2010, Arkansas resident one (“AR1”) received a solicitation letter and “Mortgage Evaluation Form” from Flores. A copy of Flores’ solicitation letter and form are attached to the Request as “Exhibit 1 and 2”. In his letter Flores offers to stop or suspend the sale (of AR1’s home) and present several options to AR1 and AR1’s mortgage company to “give (AR1) more time and get (AR1) back on (AR1’s) feet”. In addition, the

Mortgage Evaluation Form provided by Flores required AR1 to provide personal financial information concerning AR1's mortgage loan and income. After AR1 received Flores' letter, AR1 contacted Flores by telephone. During the telephone conversation between AR1 and Flores, Flores stated that he could help AR1 with AR1's foreclosure or mortgage problem for a fee of \$800.00. AR1 ultimately decided not to hire Flores.

3. Flores has admitted to the Staff that he sent solicitation letters, similar to letter sent to AR1, offering mortgage loan modification services to 51 other Arkansas residents. A copy of this letter is attached to the Request as "Exhibit 3". In addition, Flores admitted to the Staff that he uses several other forms in his loan modification activities in Arkansas. The first form is titled "Letter of Authorization". A copy of this form is attached to the Request as "Exhibit 4". This form authorizes the release of information about the Arkansas residents' mortgage loan to Flores. The second form is titled "Disclosure Regarding Your Real Estate". A copy of this form is attached to the Request as "Exhibit 5". The disclosure form states that the forbearance of the client's property will be made possible, because Flores may be able to negotiate with the lender/lenders to have them take less than what is owed on the reinstatement amount due on the client's property. The form refers to this as a "Loan Modification" or repayment plan. Finally, the form states that there is a one-time non-refundable fee of \$800.00 due at the time of services. The third form used by Flores in Arkansas is titled "Homeowners Loan Mod Check List". A copy of this form is attached to the Request as "Exhibit 6". This form requires the client to provide Flores with detailed financial information concerning the client's income and monthly expenses. The form also states that if the client is contacted by the mortgage company, then the client is to tell them to call Flores, because the client has Flores to work on the client's behalf.

CONCLUSIONS OF LAW

4. It is unlawful for any person to act or attempt to act, directly or indirectly, as a mortgage broker or loan officer without first obtaining a license from the Securities Commissioner under the Arkansas FMLA. Ark. Code Ann. § 23-39-503(a) Flores violated Ark. Code Ann. § 23-39-503(a) 52 times when he acted as a mortgage broker and/or loan officer with AR1, as well as 51 other Arkansas residents, without first being licensed as a mortgage broker and/or loan officer under the Arkansas FMLA.

5. Upon finding that any action of a person is in violation of the FMLA, the Commissioner may summarily order the person to cease and desist from the prohibited action. Ark. Code Ann. § 23-39-514(d)(1). The conduct, acts, and practices of Flores threatens immediate and irreparable public harm. Based on the Findings of Fact and Conclusions of Law, this Cease and Order is in the public interest and is appropriate pursuant to Ark. Code Ann. § 23-39-514.

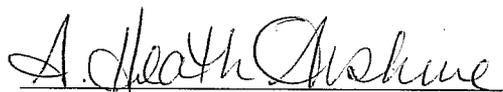
ORDER

IT IS THEREFORE ORDERED that Flores CEASE AND DESIST from all mortgage loan activity in Arkansas until such time as he has been properly licensed under the Arkansas FMLA.

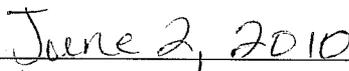
A hearing on this Order shall be held, if requested by Flores in writing within thirty (30) days of the date of the entry of this Order, or if otherwise ordered by the Commissioner. Such request should be addressed to the Commissioner and submitted to the following address:

Arkansas Securities Commissioner
201 East Markham, Suite 300
Little Rock, Arkansas 72201

If no hearing is requested and none is ordered by the Commissioner, this Order will remain in effect until it is modified or vacated by the Commissioner. See Ark. Code Ann. § 23-39-514(d).



A. Heath Abshire
Arkansas Securities Commissioner



Date