

**BEFORE THE ARKANSAS SECURITIES COMMISSIONER  
CASE NO C-11-0212  
ORDER NO C-11-0212-11-OR02**

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**IN THE MATTER OF:  
ATTORNEYS LAW GROUP,  
BETTER HOME RELIEF, AND  
SCOTT B. HAYWARD**

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**RESPONDENTS**

**CEASE AND DESIST ORDER**

On August 8, 2011, 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 Attorneys Law Group (“Attorneys Law”), Better Home Relief (“Better Home”), and Scott B. Hayward (“Hayward”) have 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. Attorneys Law is a business with its main office in California. Attorneys Law has never been licensed under the FMLA in any capacity.
2. Better Home is a business with its main office in California. Better Home has never been licensed under the FMLA in any capacity.
3. Hayward is a resident of and attorney licensed by the State of California.
4. During March 2009, Arkansas resident one (“AR1”) responded to a television segment or interview and contacted John Briggs (“Briggs”), an employee of Attorneys Law and Better Home, by telephone. During AR1’s telephone conversation with Briggs, AR1 and Briggs

discussed a modification of the existing mortgage loan for AR1's residential dwelling located in Mountainburg, Arkansas. After the initial telephone conversation, Briggs faxed a packet of documents to AR1. The faxed documents included a cover sheet (attached to the Request as Exhibit 1); a letter from Briggs, Modification Consultant with Better Home (attached to the Request as Exhibit 2); a Better Home form titled Instructions/Summary of Process (attached to the Request as Exhibit 3); a form titled Authorization to Release Information (attached to the Request as Exhibit 4); a form titled Payment Option and Authorization for Better Home (attached to the Request as Exhibit 5); and a form titled Payment Option and Authorization for Attorneys Law (attached to the Request as Exhibit 6). AR1 completed and returned these documents and forms to Briggs.

5. AR1 paid an advance fee of \$1,995.00 to Attorneys Law and Better Home by two credit card payments of \$1,000.00 and \$995.00. The first payment of \$1,000.00 was made to Better Home on or about March 13, 2009; the second payment of \$995.00 was made to Attorneys Law on or about May 2, 2009. Attorneys Law and Better Home never successfully modified the terms of AR1's mortgage loan. In addition, Attorneys Law and Better Home never refunded or returned any part or portion of the \$1,995.00 advance fee to AR1.

6. During February 2009, Arkansas resident two ("AR2") received a telephone solicitation call from an employee of Better Home concerning a modification of AR2's existing mortgage loan. After this telephone call, AR2 received a faxed packet of information and documents from Victor Dyre, an employee of Better Home. The faxed documents included a cover sheet (attached to the Request as Exhibit 7); several pages concerning general information about the services offered by Better Home (attached to the Request as Exhibit 8); a Better Home form titled Required Documents/Forms (attached to the Request as Exhibit 9); a several page

form concerning information about AR2's mortgage, income, and expenses (attached to the Request as Exhibit 10); a Better Home Agreement (attached to the Request as Exhibit 11); a form titled Authorization to Release Information (attached to the Request as Exhibit 12); and a form titled Authorization Agreement for Direct Payments for Better Home (attached to the Request as Exhibit 13). AR2 completed and returned these documents and forms to Better Home.

7. AR2 paid an advance fee of \$2,495.00 to Attorneys Law and Better Home by two credit card payments totaling \$2,495.00. Attorneys Law and Better Home never successfully modified the terms of AR2's mortgage loan. In addition, Attorneys Law and Better Home never refunded or returned any part or portion of the \$2,495.00 advance fee to AR2.

8. In addition, Attorneys Law, Better Home, and their employees had contact with and collected advance fees from two other Arkansas residents ("AR3" and "AR4") in exchange for mortgage loan modification services.

9. On August 5, 2010, Hayward sent a letter in response to a written request from the Staff for information concerning the mortgage loan modification activities in Arkansas of Attorneys Law. Hayward's letter is attached to the Request as Exhibit 14. On February 24, 2011, Hayward sent a second letter in response to an additional written request from the Staff for information concerning the mortgage loan modification activities in Arkansas of Attorneys Law. Hayward's second response letter is attached to the Request as Exhibit 15. In both letters, Hayward failed and refused to provide any information about the mortgage loan modification activities in Arkansas of Attorneys Law. In fact, in both letters Hayward specifically denied any mortgage loan modification activities in Arkansas by Attorneys Law. As stated above, Hayward's letters are both clearly contradicted by the evidence.

## CONCLUSIONS OF LAW

10. Ark. Code Ann. § 23-39-503(b) states that 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 FMLA. As detailed in paragraphs four through eight, Attorneys Law and Better Home violated Ark. Code Ann. § 23-39-503(b) when they acted as a mortgage broker with AR1 through AR4 without first being licensed as a mortgage broker under the FMLA.

11. Ark. Code Ann. § 23-39-503(c) states that it is unlawful for any person other than an exempt person to employ, to compensate, or appoint as its agent any person to act as a loan officer unless the loan officer is licensed as a loan officer under the FMLA. As detailed in paragraphs four through eight, Attorneys Law and Better Home violated Ark. Code Ann. § 23-39-503(c) when it employed or appointed Briggs, Dyre, and other employees to act as a loan officers with AR1 through AR4 without first being licensed under the FMLA.

12. Ark. Code Ann. § 23-39-513(4) states that it is unlawful for any person other than an exempt person to pay, receive, or collect, in whole or in part, any commission, fee, or other compensation for brokering a mortgage loan in violation of this subchapter, including a mortgage loan brokered or solicited by any unlicensed person other than an exempt person. As detailed in paragraphs five, seven, and eight, Attorneys Law and/or Better Home violated Ark. Code Ann. § 23-39-513(4) when they collected commissions or advance fees from AR1 through AR4 for attempting to renegotiate or modify the terms of the mortgage loans of AR1 through AR4 without first being licensed as a mortgage brokers under the FMLA.

13. Ark. Code Ann. § 23-39-513(13) states that it is unlawful for any person in the course of mortgage loan activity to unreasonably fail to deliver or provide information or documents promptly to the Commissioner upon written request. As detailed in paragraph nine,

Hayward violated Ark. Code Ann. § 23-39-513(13) twice, when he failed and refused to provide information about the mortgage loan modification activities in Arkansas of Attorneys Law requested by the Staff in writing on two separate occasions.

14. Ark. Code Ann. § 23-39-514(d) states that 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. The conduct, acts, and practices of Attorneys Law, Better Home, Hayward, and the employees of Attorneys Law and Better Home threaten 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(d).

### **ORDER**

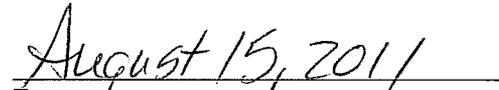
It is therefore ordered that Attorneys Law, Better Home, and Hayward cease and desist from all mortgage loan activity in the State of Arkansas, until such time as they and/or he are properly licensed under the FMLA; from allowing employees of Attorneys Law and Better Home from acting as mortgage loan officers in the State of Arkansas, until such time as they are properly licensed under the FMLA; and, from collecting any commission or fee in violation of the FMLA until such time as they have been properly licensed under the FMLA.

A hearing on this Order shall be held, if requested by Attorneys Law and/or Better Home 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. Ark. Code Ann. § 23-39-514(d).

  
A. Heath Abshure  
Arkansas Securities Commissioner

  
Date