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BEFORE THE ARKANSAS SECURITIES COMMISSIONER
CASE NO. C-11-0306
ORDER NO. C-11-0306-11-OR01

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ARKANSAS SECURITIES DEPT.

IN THE MATTER OF:
STANDARD MORTGAGE CORPORATION
NMLS&R NO. 44912

RESPONDENT

CONSENT ORDER

This Consent Order is entered pursuant to the Arkansas Fair Mortgage Lending Act ("FMLA"), codified at Ark. Code Ann. §§ 23-39-501 through 23-39-518, the Rules of the Arkansas Fair Mortgage Lending Act ("Rules") 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 Respondent, Standard Mortgage Corporation ("Standard"), in full and final settlement of all claims that could be brought against Standard by the Staff on the basis of the facts set forth herein.

Standard admits the jurisdiction of the FMLA and the Arkansas Securities Commissioner ("Commissioner"), waives its right to a formal hearing and appeal, and without admitting or denying the findings of fact made herein, consents to the entry of this Order, and agrees to abide by its terms.

FINDINGS OF FACT

From the pleadings, documentary evidence, and all other matters properly before the Commissioner, the Commissioner does make the following findings of fact:

1. Standard is a corporation organized and operating under the laws of the State of Louisiana. Standard is licensed under the FMLA as a mortgage broker, banker and servicer, NMLS&R number 44912.

2. Between 2006 and 2009, Standard employed two individuals as loan officers, and these loan officers accepted three mortgage loan applications from Arkansas residents without being licensed under the FMLA.

3. Between 2006 and 2011, Standard operated an unlicensed branch office conducting mortgage loan activities in Arkansas. The Standard's branch office was located in Shreveport, Louisiana. The mortgage loan activities of this unlicensed branch office constitute one violation of Ark. Code Ann. § 23-39-505(i) by Standard.

4. Standard fully cooperated with the Staff during the Staff's investigation of this matter. In addition, Standard has assured the Staff that it has instituted significant internal controls and supervisory changes in order to ensure that the above detailed violations will not occur in the future.

Legal Authority and Conclusions of Law

6. 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 Arkansas FMLA. The unlicensed mortgage loan officer activity by two employees of Standard as detailed in paragraph two constitutes three violations of Ark. Code Ann. § 23-39-503(c) by Standard.

7. Ark. Code Ann. § 23-39-505(i) states that each branch office of a mortgage broker licensed under this subchapter shall obtain a separate license. The mortgage loan activities of the unlicensed branch office of Standard as detailed in paragraph three constitutes one violation of Ark. Code Ann. § 23-39-505(i) by Standard.

9. Ark. Code Ann. §§ 23-39-514(b)(1) and (2) states that the Commissioner by order may impose a civil penalty that shall not exceed \$10,000.00 for each violation by a mortgage

broker 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. The acts and violations of the FMLA and the Rules by Standard, as detailed in paragraphs two through four, warrant the entry of appropriate civil penalty against Standard.

ORDER

By agreement and with the consent of the Staff and the duly authorized representative of Standard it is hereby ordered that Standard shall be responsible for the payment of a civil penalty in the amount of \$1,250.00 to the Arkansas Securities Department within ten days of the entry of this Consent Order.



A. Heath Abshure
Arkansas Securities Commissioner

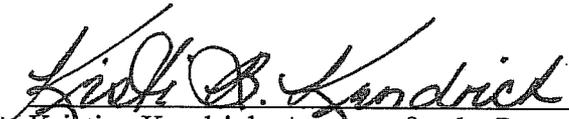
08/17/2011
Date

Approved as to Content and Form:



Edgar Allen Gordon Bright, III, President
Standard Mortgage Corporation, the Respondent

8/11/2011
Date



Kristine Kendrick, Attorney for the Respondent
Standard Mortgage Corporation

8/12/2011
Date



Scott Freydl, Staff Attorney
Arkansas Securities Department

8/17/11
Date