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BEFORE THE ARKANSAS SECURITIES COMMISSIONER ARKANSAS SECURITIES DEPT.

CASE NO. C-12-0019

IN THE MATTER OF:

C-12-0019-12-OR01

URBAN FINANCIAL
GROUP, INC NMLS&R NO. 2285

RESPONDENT

CONSENT ORDER

This Consent Order (“Order”) is entered pursuant to the Arkansas Fair Mortgage Lending Act, Ark. Code Ann. §§ 23-39-501 through 23-39-518 (“Act”), the Rules of the Fair Mortgage Lending Act (“Rules”), promulgated under the Act, and the Arkansas Administrative Procedures Act (“Procedures”), codified at Ark. Code Ann. §§ 25-15-201 through 25-15-219 in accordance with an agreement by and between the Staff of the Arkansas Securities Department and Urban Financial Group, Inc. (“Urban”) in full and final settlement of all claims that could be brought against Urban by the Staff on the basis of the facts set forth herein.

Urban has cooperated with the Department in its investigation by responding to inquiries, providing documentary evidence and other materials, and providing the Department with access to facts related to the investigation.

By signing below, Urban admits to the jurisdiction of the Act and the Arkansas Securities Commissioner (“Commissioner”), waives its rights to a formal hearing and appeal, admits the findings of fact made herein, consents to the entry of this Order, and agrees to abide by its terms.

FINDINGS OF FACT

1. Urban is a corporation organized and existing under the laws of Oklahoma, with its principal place of business located at 8909 South Yale Avenue, Tulsa, Oklahoma 74137. Urban has been licensed as a mortgage broker, mortgage banker, and mortgage servicer by the Arkansas Securities Department (“Department”) since October 31, 2006, Nationwide Mortgage Licensing System

Registry number 2285. Urban's mortgage broker, mortgage banker, or mortgage servicer license is scheduled to expire on December 31, 2012.

2. Dennis Dewain ("Dewain") was employed as a loan officer by Urban during the relevant time period when the violations detailed in this order occurred. According to the Department's records, Dewain was never granted a loan officer license by the Department for his employment with Urban, nor was a loan officer application filed on her behalf. However, on May 7, 2009, Dewain originated a mortgage loan for an Arkansas resident. This mortgage loan application was accepted by Urban.

3. Jessica Spears ("Spears") was employed as a loan officer by Urban during the relevant time period when the violations detailed in this order occurred. According to the Department's records, Spears was never granted a loan officer license by the Department for her employment with Urban, nor was a loan officer application filed on her behalf. However, on August 26, 2009, Spears originated a mortgage loan for an Arkansas resident. This mortgage loan application was accepted by Urban.

4. Pursuant to Ark. Code Ann. §§ 23-39-514(b)(1)-(2), the Commissioner may impose a civil penalty against Urban that shall not exceed \$10,000.00 for each violation under the Act.

5. Urban fully cooperated with the Staff during the Staff's examination of Urban's operations. In addition, Urban has assured the Staff that it has instituted significant internal controls and supervisory changes necessary to ensure that the above detailed violations will not occur in the future. Urban additionally assured the Staff that the changes to its internal controls and supervision of employees were instituted prior to the commencement of the Staff's examination.

LEGAL AUTHORITY AND CONCLUSIONS OF LAW

6. The acts by Urban described in ¶¶ 2-3 constitutes two violations of Ark. Code Ann. § 23-39-503(c). In addition, said acts warrant the entry of an order under Ark. Code Ann. § 23-39-

514(a)(2)(B) with the appropriate civil penalty against Urban as authorized by Ark. Code Ann. § 23-39-514(b).

7. It is unlawful for any person, other than an exempt person, to act or attempt to act as a mortgage loan officer in Arkansas without first obtaining a license under the Act. Ark. Code Ann. § 23-39-503(c). Dewain and Spears acted outside the scope of an “exempt person” as defined by Ark. Code Ann. § 23-39-502(9), and therefore, the actions by Urban of employing an unlicensed loan officer as detailed in ¶ 2-3 were in violation of Ark. Code Ann. § 23-39-503(c).

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

9. The Commissioner by order may impose a civil penalty that shall not exceed \$10,000.00 for each violation by a mortgage broker, mortgage banker or mortgage servicer upon a licensee or 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 Act. Ark. Code Ann. § 23-39-514(b)(1) and (2).

ORDER

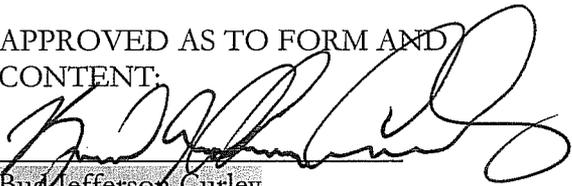
By agreement and with the consent of the Staff and the authorized representative of Urban, it is hereby ordered that Urban shall be responsible for the payment of a civil penalty in the amount of \$1,000.00 to the Arkansas Securities Department. The payment of the civil penalty shall be made by Urban within thirty days of the entry of this Consent Order.

WITNESS MY HAND AND SEAL on this 15th day of March, 2012.



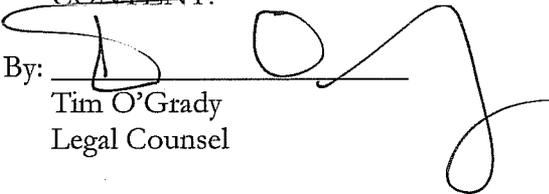
A. Heath Abshire
Arkansas Securities Commissioner

APPROVED AS TO FORM AND
CONTENT:

By: 
Bud Jefferson Curley
Managing Principal; Urban Financial Group, Inc.
Mortgage, Inc.

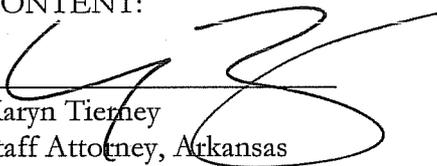
Date: 3-14-2012

APPROVED AS TO FORM AND
CONTENT:

By: 
Tim O'Grady
Legal Counsel

Date: 3-14-12

APPROVED AS TO FORM AND
CONTENT:

By: 
Karyn Tierney
Staff Attorney, Arkansas
Securities Department

Date: 3-15-12