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BEFORE THE ARKANSAS SECURITIES COMMISSIONER
CASE NO. C-12-0106

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ARKANSAS SECURITIES DEPT.

IN THE MATTER OF

AMERICAHOMEKEY, INC.

RESPONDENT

REQUEST FOR SUMMARY SUSPENSION OF LICENSE,
REVOCATION OF LICENSE, AND HEARING

Comes now the Staff of the Arkansas Securities Department (“Staff”), by and through its attorney, Amber E. Crouch, and for its Request for Summary Suspension of License, Revocation of License, and Hearing (“Request”), states as follows:

ADMINISTRATIVE AUTHORITY

This Request involves the summary suspension of and the revocation of a license to conduct business as a mortgage banker, mortgage broker, and mortgage servicer pursuant to the Arkansas Fair Mortgage Lending Act (“FMLA”), Ark. Code Ann. §§ 23-39-501 through 23-39-518, and therefore is properly before the Arkansas Securities Commissioner (“Commissioner”).

RESPONDENT

1. AmericaHomeKey, Inc. (“AHK”) is a Texas corporation with its principal place of business located at 3838 Oak Lawn Avenue, Suite 1050, Dallas, Texas 75219. AHK has been licensed as a mortgage banker, mortgage broker, and mortgage servicer with the Arkansas Securities Department (“Department”) since May 17, 2011. AHK was first licensed with the Department as a mortgage banker from July 26, 2007, until the approval of its mortgage broker and mortgage servicer license on May 17, 2011.

FINDINGS OF FACT

2. Each mortgage banker, mortgage broker, and mortgage servicer licensed by the Department is required to post a corporate surety bond that must remain in effect at all times.

3. On April 13, 2012, the Department received a notification from Hartford Fire Insurance Company, AHK's surety company, of the impending termination of AHK's surety bond on June 22, 2012.

4. The Staff contacted AHK through the Nationwide Mortgage Licensing System & Registry ("NMLS&R") on April 9, 2012, concerning the impending termination of AHK's surety bond and requesting either a new surety bond or a written notice of the reinstatement of the existing surety bond by no later than June 8, 2012.

5. As of the date of this Request, AHK has failed to remit either a new surety bond or a written notice of the reinstatement of AHK's existing surety bond, and has failed to respond in any manner to the Staff's April 9, 2012, notification through NMLS&R.

6. Each mortgage banker, mortgage broker, and mortgage servicer licensed by the Department is required to file a quarterly report of mortgage activity, commonly known as a Mortgage Call Report ("MCR"), with the Department no later than forty-five days from the end of each calendar quarter.

7. AHK failed to file its quarterly MCR for the first quarter of 2012 with the Department before its due date of May 15, 2012.

8. The Staff contacted AHK by certified mail on May 21, 2012, concerning the failure of AHK to file its quarterly MCR in Arkansas by the deadline, and notified AHK of the Staff's intention to file a complaint if AHK did not submit evidence of compliance by June 15, 2012.

9. As of the date of this Request, AHK has failed to submit evidence of compliance to the Staff or to respond in any manner to the Staff's May 21, 2012, notice of intention to file a complaint.

10. Each mortgage banker, mortgage broker, or mortgage servicer shall maintain a principal place of business, which is a stationary construction consisting of at least one enclosed room or business in which negotiations of mortgage loan transactions of others may be conducted in private or in which the primary business functions of the licensee are conducted.

11. Each mortgage banker, mortgage broker, or mortgage servicer is required to report a change of address of the principal place of business, a branch office, or a location in which the files pertaining to mortgage loan transactions are maintained within thirty days after the change.

12. On May 24, 2012, the Staff discovered that the mailing address for AHK currently displayed on its website, <http://www.americahomekey.com>, is 3824 Cedar Springs Road, #442, Dallas, Texas 75219, which the Staff's research shows is the address for the United Parcel Service Store #3812, and not an actual office space. Furthermore, this address does not correspond with AHK's principal place of business listed on NMLS&R as 3838 Oak Lawn Avenue, Suite 1050, Dallas, Texas 75219.

13. As of the date of this Request, the Staff has not received a report of a change of address from AHK for the principal place of business, a branch office, or a location in which the files pertaining to mortgage loan transactions are maintained.

14. As of the date of this Request, the Staff has also been unable to make contact with AHK by telephone, as the phone number listed on AHK's website at <http://www.americahomekey.com>, 1-888-570-4772, prompts callers to leave a voice message

and offers no opportunity to speak directly to a representative of AHK. The Staff left a voice message on this phone line on May 24, 2012, and, as of the date of this Request, has received no contact from representatives of AHK. Furthermore, the Staff's attempt to contact the phone number listed on NMLS&R, 214-257-1100, established that the number is no longer in service.

15. A review of NMLS&R shows that on May 17, 2012, the California Department of Corporations, which regulates consumer and commercial lenders, including mortgage lenders, revoked AHK's California Finance Lenders License due to AHK's failure to file an annual report as required by the California Finance Code. Additionally, On June 26, 2012, the Wisconsin Department of Financial Institutions revoked AHK's Wisconsin mortgage banker and mortgage broker licenses for its failure to maintain a surety bond pursuant to the Wisconsin laws relating to mortgage bankers, mortgage brokers, and loan originators.

16. The Commissioner has the authority to revoke a license by order if it is found that the order is in the public interest and the person has violated or failed to comply with any provision of the FMLA or the Rules of the FMLA ("Rules"); is the subject of a revocation of authority to engage in a regulated activity by any other state within the past five years, including the mortgage industry; or does not meet the qualifications of any bond requirements.

CONCLUSIONS OF LAW

17. Each mortgage broker, mortgage banker, and mortgage servicer licensed by the Department shall post a surety bond in the amount prescribed by rule or order of the Commissioner. Ark. Code Ann. § 23-39-505(f).

18. All licensees with surety bonds under the FMLA must ensure that the full amount of the surety bond is in effect at all times. Failure to maintain the surety bond at the required level shall be grounds for disciplinary action. Rule 5005-8(f) of the Rules.

19. AHK violated Ark. Code Ann. § 23-39-505(f) and Rule 5005-8(f) of the Rules when, upon termination of its existing surety bond, it failed to remit either a new surety bond or a written notice of the reinstatement of AHK's existing surety bond.

20. A person required to be licensed as a mortgage banker, mortgage broker, and mortgage servicer under the FMLA shall provide the Commissioner with a quarterly report of mortgage activity. Ark. Code Ann. § 23-39-510(a)(6).

21. A mortgage broker or mortgage banker licensed at any time in Arkansas during the reporting period shall file a quarterly report containing information regarding the mortgage activity in Arkansas. The quarterly report must be filed with the Commissioner no later than forty-five days from the end of every calendar quarter. Rule 5010-3(a)(1) of the Rules.

22. AHK violated Ark. Code Ann. § 23-39-510(a)(6) and Rule 5010-3(a)(1) of the Rules when it failed to file its quarterly MCR for the first quarter of 2012 with the Department.

23. A mortgage banker, mortgage broker, or mortgage servicer shall report a change of address of the principal place of business, a branch office, or a location in which the files pertaining to the mortgage loan transactions are maintained within thirty days after the change. Ark. Code. Ann. § 23-39-509(e)(1).

24. AHK violated Ark. Code Ann. § 23-39-509(e)(1) when it failed to report a change of address within thirty days after the change was made, which was on or before the date of the Staff's discovery of the change on May 24, 2012.

25. The Commissioner by order may revoke a license of a licensee if the Commissioner finds that the order is in the public interest and the licensee has violated or failed to comply with any provision of the FMLA, the Rules, or any order of the Commissioner; is the subject of an order, including a revocation of authority to engage in a regulated activity by any

other state authority to which the person is, has been, or has sought to be subject, entered within the past five years, including without limitation the mortgage industry; or does not meet the qualifications of any bond requirements. Ark. Code Ann. § 23-39-514(a)(1) and (a)(2)(B), (F), and (H).

26. Pursuant to Ark. Code Ann. § 23-39-514(a)(1) and (a)(2)(B), (F), and (H), the Commissioner should by order revoke AHK's license as AHK has violated various provisions of the FMLA and Rules; was the subject of a revocation of its mortgage lending licenses in the states of California and Wisconsin within the past five years; and fails to meet the bond requirements as set forth in the FMLA and Rules.

27. The Commissioner by order may impose a civil penalty upon a licensee for any violation of the FMLA or Rules that shall not exceed \$10,000.00 for each violation. Ark. Code Ann. § 23-39-514(b)(1) and (2).

28. The Commissioner by order may summarily suspend the license of a licensee pending final determination of any proceeding under Ark. Code Ann. § 23-39-514 of the FMLA. Ark. Code Ann. § 23-39-514(c)(1).

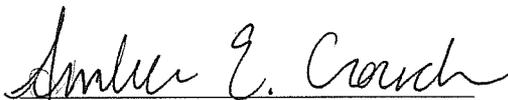
REQUESTED RELIEF

For the reasons set forth herein, the Staff requests the immediate summary suspension of the mortgage banker, mortgage broker, and mortgage servicer license of AmericaHomeKey, Inc. pending a hearing on this Request, pursuant to Ark. Code Ann. § 23-39-514(c)(1).

Additionally, the Staff requests that a hearing be scheduled to determine whether the mortgage banker, mortgage broker, and mortgage servicer license of AHK should be revoked. The Staff further requests the imposition of a reasonable civil penalty for AHK's failure to maintain a surety bond, in violation of Ark. Code Ann. § 23-39-505(f) and Rule 5005-8(f) of the

Rules; failure to file a quarterly report of mortgage activity, in violation of Ark. Code Ann. § 23-39-510(a)(6) and Rule 5010-3(a)(1) of the Rules; and failure to notify the Commissioner of a change of address within thirty days from the date of the address change, in violation of Ark. Code Ann. § 23-39-509(e)(1).

Respectfully submitted,



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July 24, 2012
Date