STATE OF ARKANSAS
SECURITIES DEPARTMENT

IN THE MATTER OF
FIRST SAVERS MORTGAGE
D/B/A DFS MORTGAGE AND
FUNDING **RESPONDENT**

ASD CASE NO. 3468

ORDER NO. C-06-007-06-CO 01

CONSENT ORDER

A hearing was scheduled on the above matter before the Arkansas Securities Commissioner (the "Commissioner") to commence on January 13, 2006 at 10:00 a.m. The hearing was docketed at the request of the staff of the Arkansas Securities Department (hereinafter referred to as "Securities Department staff"). On January 12, 2006, counsel for the Securities Department staff notified the Commissioner that a Consent Order would be forthcoming as a result of settlement agreement that had been reached with Ms. Judy Duggan, owner and managing principal of First Savers Mortgage d/b/a DFS Mortgage and Funding. This Consent Order is entered upon the following findings of fact and conclusions of law.

FINDINGS OF FACT

1. First Savers Mortgage Company d/b/a DFS Mortgage and Funding

(hereinafter referred to as the "company") is licensed as a "mortgage broker" with the Arkansas Securities Department, and is authorized to broker loans in Arkansas, holding Arkansas Securities Department Mortgage Loan Broker license number 10298.

2. The information furnished by the company to the Arkansas Securities Department reflects that the company is located at 4501 Highway 7 North, Suite G, Hot Springs, Arkansas.

3. Judy J. Duggan is the owner and chief executive officer of the company, and is designated as "managing principal" of the company for licensing purposes. In connection with her ownership and management of the company, Ms. Duggan is licensed as a "loan officer" with the company, holding Arkansas Securities Department loan officer license number 19094.

4. On or about August 5, 2005, the Securities Department staff received a written complaint against the company from Roger Ennis, d/b/a Roger's Cycle and Marine, Inc. of Hot Springs, Arkansas.

5. On November 3, 2005, counsel for the Securities Department staff sent a notice letter to Judy J. Duggan pursuant to **Ark. Code Ann. Section 25-15-208**, providing notice of the date, time, and location of a hearing on this matter, and a summary of the facts to be presented.

4. On January 12, 2005, an agreement in this matter was reached between Judy J. Duggan and Securities Department staff. The agreement provided that that the company would voluntarily surrender its mortgage loan broker license, and that the agreement would be formalized in a Consent Order, signed by Ms. Duggan.

CONCLUSIONS OF LAW

5. This matter is properly before the Commissioner pursuant to the Arkansas Fair Mortgage Lending Act, **Ark. Code Ann. Section 23-39-501, et seq.**

6. The Arkansas Fair Mortgage Lending Act permits the informal disposition of a proceeding or allegations that might give rise to a proceeding by stipulation, settlement, consent or default in lieu of a formal or informal hearing on the allegations or in lieu of the sanctions authorized by the law. **Ark. Code Ann. Section 23-39-514 (k).**

ORDER

It is hereby AGREED, ORDERED, AND ADJUDGED that First Savers Mortgage d/b/a DFS Mortgage and Funding does hereby voluntarily surrender its Arkansas mortgage loan broker license, that being Arkansas Securities Department mortgage loan broker license number 10298, and

that said company shall and will henceforth cease and desist from all mortgage loan brokering activities in Arkansas.

It is further AGREED, ORDERED, AND ADJUDGED that the surrender and termination of the mortgage loan broker license of the company automatically terminates the license of Judy J. Duggan to serve as a loan officer for said company, pursuant to **Ark. Code Ann. Section 23-39-503 (d) (1).**

It is further AGREED, ORDERED, AND ADJUDGED that in the event that the company, Judy J. Duggan, or another company owned or controlled in whole or in part by Judy J. Duggan, should submit application to the Arkansas Securities Department for authority to engage in mortgage loan brokering activities in Arkansas, that Ms. Duggan shall permit an examination of the loan files, books and records of the company, including an inspection of the loan file of Roger Ennis d/b/a Rogers Cycle and Marine, Inc. It is understood, agreed and ordered that any refusal by Ms. Duggan to permit an examination of the loan files, books and records of the company shall automatically serve as grounds for denial of a future application for a license by the Arkansas Securities Department.

IT IS SO ORDERED.

Michael B. Johnson
Arkansas Securities Commissioner

February 16, 2006
Date:

I have read the foregoing, and hereby agree to the terms and to the entry of this Consent Order.

Judy J. Duggan

Subscribed and sworn to this 14th day of ~~January,~~ February 2006.

Notary

My Commission Expires:
6-13-2013