

- 1 i. Respondent provided a loan log that documents the first forty two (42) loans
2 were originated prior to licensing on August 10, 2006. Respondent provided
3 three (3) loan logs for this examination. The initial loan log contained errors
4 and omissions. After delivery of the initial loan log, Respondent re-worked
5 the entire point system (Calyx Point software), because it was not correct the
6 first time. Respondent has been storing all loan files electronically, with the
7 hard-copy files being destroyed shortly thereafter to preserve space in the
8 office. The original files no longer exist, but the Respondent has provided a
9 letter stating the second loan log is now accurate;
- 10 ii. On March 19, 2007, examiners from the Department investigated an
11 unlicensed location at 320 E. McDowell Road, Ste. 222, Phoenix, AZ. After
12 the examiners pointed out that a photocopy of the Respondent's principal
13 place of business license was found lying on the receptionist's desk, the
14 branch manager responded that she had taken two (2) loan applications (the
15 names of the borrowers were not provided). The Respondent's employee
16 record list reflects that branch manager as being employed on April 16, 2007.
17 The Respondent does not have a licensed branch at this location;
- 18 iii. On March 19, 2007, examiners from the Department investigated an
19 unlicensed location at 77 E. Weldon Avenue, Ste. 150, Phoenix, AZ.
20 Examiners observed and took a picture of a photocopy of a license on the wall
21 for D&R Financial Group that showed an address of 7201 E. Camelback
22 Road, Ste. 375, Scottsdale, AZ. On March 7, 2007, the Respondent submitted
23 a branch application for this location. The branch license request for this
24 location has since been withdrawn by the Respondent. The Respondent's
25 employee record list reflects the branch manager as being employed on March
26 6, 2007 and April 10, 2007. After a discussion with the branch manager,

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examiners removed the following files from this unlicensed location:

1. 3716 W. Loma Lane, Phoenix, AZ 85051;
2. 658 W. 1st Street, Mesa, AZ 85201;
3. 7365 W. State Avenue, Glendale, AZ 85303;
4. 16248 N. 28th Street, Phoenix, AZ 85032;
5. 1559 W. Crescent Avenue, Mesa, AZ 85202;
6. 10543 Wamelia Avenue, Avondale, AZ 85323 (2-28-07);
7. 1257 E. Fountain Street, Mesa, AZ 85203 (2-6-07); and
8. 8128 W. Earl Drive, Phoenix, AZ 85033 (3-15-07);

On March 30, 2007, the Department was notified that a title company was receiving business from the 77 E. Weldon Avenue, Ste. 150, Phoenix, AZ location. This office location was representing itself as D&R Financial Group, LLC, and was trying to do business as such. On April 23, 2007, the Respondents submitted a change of address request for its branch at 914 E. Camelback Rd. Phoenix, AZ to change its address to: 77 E. Weldon, Ste. 150, Phoenix, AZ. The Respondent does not have a licensed branch at 77 E. Weldon, Ste. 150, Phoenix, AZ;

- iv. On March 20, 2007, examiners from the Department investigated an unlicensed location at 4231 W. Thomas Road, Ste. 100, Phoenix, AZ. Upon entering the office, examiners observed a photocopy of a license certificate of D&R Financial Group, LLC indicating license number MB-0908484 with an address of 7201 E. Camelback Road, Ste. 375, Scottsdale, AZ. The copy of the license certificate was displayed on the eastern-most wall of the lobby. The branch manager and a loan processor greeted the examiners. They stated that this location was an office of D&R Financial Group and acknowledged the license on the wall. The loan processor stated twice that there were sixty

1 (60) loan officers working in the back of this office building's space. The
2 examiners then presented a refinance loan scenario to the branch manager and
3 the loan processor, referring to a \$200,000.00 fifteen year term amortizing
4 loan secured by a home appraised at \$250,000.00 on a single family dwelling
5 located in Arizona. The loan processor entered some information into the
6 computer concerning the proposed refinance while seated at the branch
7 manager's computer. The examiners then advised the branch manager and the
8 loan processor that they were short on time and needed to go back to work.
9 The examiners requested an application to complete later and a business card
10 with a phone number, to call to set an appointment to return to discuss the
11 refinance loan. The examiners received a blank application form no. 1003,
12 Good Faith Estimate form and Truth in Lending form. D&R Financial Group,
13 LLC, 7201 E. Camelback Road, Ste. 375, Scottsdale, AZ 85251, was printed
14 on the forms. The branch manager provided a business card reflecting D&R
15 Financial Group, LLC and license number MB-0908484. The Respondent
16 does not have a licensed branch at 4231 W. Thomas Road, Ste. 100, Phoenix,
17 AZ;

18 v. On June 1, 2006, the Respondent ordered an appraisal from 7201 E.
19 Camelback Rd. #375, Scottsdale, AZ 85251, for a property located at 8137 W.
20 Tuckey Lane, Glendale, AZ 85303, which listed the Respondent as the lender.
21 The Respondent has held out to the public that mortgage loans are made or
22 negotiated at this location prior to August 10, 2006, when the Respondent was
23 issued a mortgage broker's license;

24 vi. On July 6, 2006, the Respondent ordered an appraisal, from 7201 E.
25 Camelback Rd. #375, Scottsdale, AZ 85251, for a property located at 16203
26 E. Powderhorn Drive, Fountain Hills, AZ, which listed the Respondent as the

1 lender. On July 20, 2006, the Respondent originated and negotiated two (2)
2 loans (1st and 2nd mortgages), to purchase an Arizona property located at
3 16203 E. Powderhorn Drive, Fountain Hills, AZ. On July 26, 2006, the
4 Respondent obtained an approval for these loans from a correspondent lender,
5 reflecting the Respondent as its client. On October 10, 2006, the loans funded
6 and the Respondent was compensated \$21,180.00, from the funding of these
7 two (2) mortgage loans. The Respondent has held out to the public that
8 mortgage loans are made or negotiated, before licensing on August 10, 2006;

9 vii. On July 13, 2006, the Respondent ordered an appraisal from 7201 E.
10 Camelback Rd. #375, Scottsdale, AZ 85251, for a property located at 2715 W.
11 Tuckey Lane, Phoenix, AZ, which listed the Respondent as the lender. The
12 Respondent negotiated and funded two (2) loans (1st and 2nd mortgages) on
13 September 22, 2006. The Respondent was compensated \$3,155.00. The
14 Respondent's final loan application (FNMA form 1003) reflected its address
15 as 7201 E. Camelback Road, Ste. 375, Vallecitro, CA 95251. The Respondent
16 has held out to the public that mortgage loans are made or negotiated at the
17 Camelback Road location, before licensing on August 10, 2006. Respondent
18 also does not have a licensed branch located in Vallecitro, CA;

19 viii. On July 13, 2006, the Respondent ordered an appraisal, from 7201 E.
20 Camelback Rd. #375, Scottsdale, AZ 85251, for a property located at 2721 W.
21 Tuckey Lane, Phoenix, AZ, which listed the Respondent as the lender. The
22 Respondent negotiated and funded two (2) loans (1st and 2nd mortgages) on
23 September 21, 2006. The Respondent was compensated \$3,155.00. The
24 Respondent's final loan application (FNMA form 1003) reflected its address
25 as 7201 E. Camelback Road, Ste. 375, Vallecitro, CA 95251. The Respondent
26 has held out to the public that mortgage loans are made or negotiated at the

1 Camelback Road location, before licensing on August 10, 2006. The
2 Respondent also does not have a licensed branch located in Vallecito, CA;

3 ix. On July 13, 2006, a mortgage loan application was accepted by Respondent
4 for the purchase of an owner occupied property located at 4926 E. Culver
5 Street, No. 2, Phoenix, AZ 85008. On August 3, 2006, the Respondent
6 ordered an appraisal from unlicensed location at 914 E. Camelback Road,
7 Phoenix, AZ 85014, for a property at 4926 E. Culver Street, No. 2, Phoenix,
8 AZ 85008, which listed the Respondent as the lender. The Respondent funded
9 the loan on September 11, 2006. The Respondent was compensated
10 \$3,468.95. The Respondent's address as reflected on the HUD-1 settlement
11 statement was 225 Union Blvd. Ste. 400, Lakewood, CO 80228. The
12 Respondent has originated a mortgage loan prior to being licensed, on August
13 31, 2006. The Respondent has held out to the public that mortgage loans are
14 made or negotiated at a Lakewood, CO location that is not licensed by this
15 Department; and

16 x. The Respondent originated, brokered and funded a mortgage transaction on a
17 property at 6847 S. 27th Place, Phoenix, AZ 85042. The Respondent accepted
18 compensation, payable to the Respondent at 101565 N. 114th Street, Ste. 109,
19 Scottsdale, AZ on January 31, 2007. The Respondent does not have a
20 licensed branch at 101565 N. 114th Street, Ste. 109, Scottsdale, AZ;

21 b. Transferred or assigned its mortgage broker license, specifically:

22 i. Respondent was issued its mortgage broker license on August 10, 2006. At
23 the commencement of this examination on March 27, 2007, Respondent had
24 one (1) principal place of business and seventeen (17) branch locations. In
25 March of 2007, Respondent submitted ten (10) additional applications for
26 branch licenses. At the time of examination, the following branch locations

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were licensed:

1. 914 E. Camelback Road, Ste. 3, Phoenix, AZ 85014 (branch #1);
2. 2625 E. Greenway Parkway, Ste. 202, Phoenix, AZ 85032 (branch #2);
3. 2401 W. Glendale Avenue, Ste. 110, Phoenix, AZ 85021 (branch #3);
4. 7141 N. 51st Avenue, Ste. F-1, Glendale, AZ 85303 (branch #4);
5. 2020 W. Indian School Road, Ste. B-31, Phoenix, AZ 85017 (branch #5);
6. 9386 W. Van Buren Avenue, Ste. B, Tolleson, AZ 85353 (branch #6);
7. 2033 E. Warner Road, Ste. 105, Tempe, AZ 85284 (branch #7);
8. 4560 N. 19th Avenue, Phoenix, AZ 85015 (branch #8);
9. 300 W. Osborn Road, Ste. 110, Phoenix, AZ 85013 (branch #9);
10. 4029 N. 31st Avenue, Phoenix, AZ 85017 (branch #10);
11. 5110 N. 44th Street, Ste. L200, Phoenix, AZ 85018 (branch #11);
12. 3150 N. 24th Street, Ste. D100, Phoenix, AZ 85016 (branch #12);
13. 6610 N. 47th Avenue, Ste. 13, Glendale, AZ 85301 (branch #13);
14. 202 E. McDowell Road, Ste. 200, Phoenix, AZ 85004 (branch #14);
15. 300 W. Clarendon Avenue, Ste. 255, Phoenix, AZ 85013 (branch #15);
16. 4260 N. 19th Avenue, Phoenix, AZ 85015 (branch #16); and
17. 1202 E. Maryland Avenue, Ste. 1H, Phoenix, AZ 85014;

ii. In March, 2006, five (5) months prior to licensing, the Respondent hired a recruiter, to recruit and locate branch managers through mail, fax, personal or verbal introductions. The recruiter had a thirteen (13) year career in marketing, advertising and sales. D&R Financial Group was the first

1 mortgage company that the recruiter has worked for. The Respondent
2 developed a program/package referred to as "Branch in a Box". Solicitation
3 letters to prospective branch managers revealed the following:

- 4 1. Branch in a Box was used to inform prospective branch managers why
5 the Respondent was by far the best alternative in mortgage branch
6 ownership;
- 7 2. The Respondent offered advisement and guidance in all required steps
8 to open your own mortgage branch;
- 9 3. Respondent also offered, without cost, advisement and guidance in
10 structuring of the business (such as an LLC);
- 11 4. The Respondent offered, without cost, the use of a commercial realtor
12 to help search and visit the location of your new branch;
- 13 5. Negotiate a lease;
- 14 6. Provide a list of contacts for opening the office: utilities, internet and
15 phone, leasing a copier/scanner/fax and selecting furniture (rent or
16 buy); and
- 17 7. The program/package informs that D&R is the only mortgage banker
18 (although Respondent is licensed as a mortgage broker) advised by
19 executives from State Banking, the FBI, Mortgage Banking, etc.;

20 iii. The recruiter introduced 14 of the 17 Branch Managers to the Respondent
21 through this program. Respondent's form, Branch Policy or Branch
22 Management Program (branch owner requirements & responsibility list),
23 quoting in part, states as follows:

- 24 1. Branch Owners are responsible for all operating expenses;
- 25 2. Branch Managers need to have a registered LLC in order to operate as
26 a D&R branch. D&R's executive team could assist on this process but

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expenses (usually less than \$100) are responsibility of the Branch Manager;

3. Branch Licensing expenses (amount varies by state but usually are a flat one-time fee around \$500 for the license plus a pro-rated yearly fee paid to the state) are the responsibility of the branch owner;

4. Branch manager is responsible for all business operating expenses including but not limited to location lease, utilities, communication, shredder, etc. These will be paid from the branch's unique bank account set-up for this;

5. Branch manager needs to set-up its own account to allow his/her loan officers to pull credit. D&R Corporate can provide the contact information of the three companies it currently uses;

6. If certain network printing functions within Calyx Point are desired, Branch Manager needs to cover the required licensing fees; and

7. Branch Manager will be held responsible for the following charges to D&R Financial Group that is incurred while servicing loans that he/she or his/her branch as a whole generates: Recapture fees, Buy-backs and Business Cards;

iv. "D&R Corporate will have an individual bank account for Branch Manager's branch. This account will be used to reimburse Branch manager's LLC for the lease plus pay all branches' expenses (i.e. utilities, phones, advertising, payroll, etc.) After these expenses are paid, Branch Manager will be paid as a W2 employee the remaining balance on the account or the request payroll amount. This request needs to be sent to payroll@xxxxxxxxxxx.com during the week prior to payroll using the required Excel form and scanned copies of the invoices. Managing expenses this way has the advantage of paying them

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in a pre-tax scenario;”

- v. The expenses listed in the above description are all expenses that should be paid by the Respondent, subject to reimbursement from the D&R Corporate account;
- vi. Licensee form, 100% Branch Manager Addendum, quoting in part, states as follows: Branch Managers are not taxed W2 until Net Profit for the Branch exceeds all expenses including any commissions due to loan officers and or Processors. **FUTHERMORE, to protect the integrity of your employees and the D&R name, 50% of the office lease and any salaried employees will remain in the Branch Office Account. Branch profits are automatically withheld until a written notice (can be in email format) is received from the branch manager by D&R’s payroll department. Branch profits exceeding 50% of office lease plus any salaried employees and after loan officers have been paid may be distributed every Friday. Next day pay is a \$99 fee if branch profits are distributed on days other than Friday pay dates;**
- vii. The Respondent has not assumed responsibility or control for its branch offices. The following information was taken from the Respondent’s employment forms, also referenced above: (Branch Manager Agreements, Branch Policy or Branch Management Program-branch owner requirements & responsibility list and 100% Branch Manager Addendum). The subparagraphs below demonstrate an assignment or transfer of the Respondent’s license. Not all of the Branch Manager files contain these specific forms. Interviews with the Branch Managers confirmed they were aware of the information. The interviews reflected an understanding by the Branch Managers that they were responsible (as the documents above detail), for all income and expenses for

1 the branch and the net income belonged to the Branch Owner/Manager. The
2 branch would then pay the Respondent a fixed monthly fee of \$2,500.00 per
3 branch or \$599.00 per file, for every loan closed;

4 viii. The Respondent instructed the future Branch Manager to get a branch
5 location, for the following branches: #3, #4, #5, #6, #7, #8, #9, #10, #13, #15
6 and #17;

7 ix. The Respondent offered/provided a commercial realtor to help find a location
8 for some new branches and to negotiate the lease. This service was used for
9 branches #4, #5 and #6;

10 x. The Respondent informed the future Branch Manager that they would be
11 responsible for all operating expenses, for the following branches: #3, #4, #5,
12 #7, #8, #9, #10, #13, #15 and #17. A Branch Manager/Owner-signed
13 document reflecting the Branch Owners' responsibilities for all operating
14 expenses was located for the following branches: #3, #4 and #7;

15 xi. The Respondent had the Branch Managers negotiate and sign the leases for
16 the following branches: #3, #4, #5, #6, #7, #9, #10, #13 and #17. The
17 Respondent's branch #1 has a lease signed by the Respondent. All sixteen
18 (16) other branch leases were signed by Branch Managers of the Respondent.
19 Three (3) of the leases, branches #11, #12 and #13, included a DBA using the
20 Respondent's name. Two of the leases, branches #12 and #14, were for a
21 term of month-to-month, yet the Respondent did not assume responsibility by
22 putting its name on the lease;

23 xii. The Respondent has provided a rent expense printout from its records. The
24 Respondent has documented it has paid 46% (52 of 114 payments) of all
25 branch lease payments, for their seventeen (17) branches (not including its
26 corporate address) from licensing origination to surrender of branch license.

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- Respondent should have paid 100% of all branch lease payments;
- xiii. The Respondent did not assume any leases on equipment for any location;
 - xiv. The Respondent instructed the Branch Managers to open a registered LLC in order to operate as a branch for the following branches: #3, #4, #5, #7, #10, #13 and #17;
 - xv. The Respondent had the Branch Manager pay for the Mortgage Broker Branch License fee, for the following branches: #4, # 5, #6, #7, #8, #9, #10, #11, #12, #13, #14, #15, #16 and #17;
 - xvi. The Respondent had all Branch Managers open an account with Advantage Plus Credit Reporting, Inc. A branch manager personal guaranty was completed and forwarded to Advantage Plus. The Branch Manager's personal credit card was charged for all credit reports ordered from the branch location. Personnel files contained this authorization for the following branches: #3, #4, #5, #6, #7, #9 and #10;
 - xvii. All Branch Managers hired their own staff and loan officers without prior approval from Respondent. The Branch Managers negotiated the income commission split with their loan officers. Typically, income from a loan officer-originated loan was split 70%-30 % or 60%-40% with the Branch Manager (example: loan officer received 70% and branch manager received 30%). The actual hiring took place at the branch location. The paperwork was then processed through the corporate human resources department;
 - xviii. The Respondent retained a per file fee of \$599.00 or a per branch fee of \$2,500.00, however, all expenses were paid by the branch manager. Thus, the per file fee or per branch fee was not used for branch expenses, it was used for use of Respondent's license;
 - xix. The Respondent did not have a key to access the branch offices for the

1 following branches: #4, #5, #6, #7, #8, #10, #13, #15 and #17. The branch
2 manager for branch #7 was informed that the Respondent wanted a key. The
3 Respondent stated it had to have a key, but any key was fine, it didn't have to
4 work the door. The branch manager for branch #7 did send in a key that did
5 not work for the office door. The branch manager for branch #6 was informed
6 that the Respondent wanted a key. The branch manager for branch #6 made a
7 copy for Respondent, who never came to pick up the key. On September 20,
8 2007, the branch manager for branch #6 informed the examiner he had the
9 only key to the office and would be out of the office that day.

10 Also on September 20, 2007, the Respondent's compliance officer called to
11 inform the Department that they would be surrendering 2 more licenses: the
12 Mesa AZ location at 931 E. Southern Avenue (originally branch #3, which
13 was transferred from that closure) and the Tolleson, AZ location at 9386 W.
14 Van Buren, (branch #6). They were picking up the licenses and closing the
15 offices that day. On September 24, 2007, the compliance officer called back
16 to say he had the Mesa, AZ office license, but could not get the Tolleson, AZ
17 license because he could not get into the office. On September 25, 2007, the
18 Respondent was able to obtain access and retrieve the Tolleson, AZ license;

19 xx. The Respondent provided sub-leases for sixteen (16) of the seventeen (17)
20 branch locations. The sub-lease reflected that the Respondent would pay rent
21 on a month-to-month basis, with a 30-day written notice for cancellation.
22 Three (3) of the sub-leases were signed prior to the original lease.
23 Documentation could not be provided which shows the Respondent ever
24 complied with the terms of these same sub-leases;

25 xxi. In February of 2007, the Respondent met with a potential employee.
26 Respondent wanted the potential employee to run an Elite Branch for the

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Respondent. Quoting in part, an Elite branch is defined as: 1.) D&R Corporate pays ALL expenses (lease, processor, utilities, etc). 2.) The branch is required to charge \$1,500.00 in junk fees on each file. The Branch manager is responsible to train, motivate and close loans, nothing else. 3.) "500 FiKo and 620 FiKo product leads given to all loan officers, daily." You can do as many per day as you want, with as many loan officers as you have. 4.) Manager makes 100% split on all files." At the direction of the Respondent, the potential employee started negotiating a lease with Vision Offices, a property management company. On April 8, 2007, the potential employee started employment with the Respondent as an Elite Branch Manager. At that time, the Elite Branch Manager had two (2) loans that he had brought with him and the process began. (The Respondent reflects the Elite Branch Manager's hire date as May 3, 2007, and the termination date as May 10, 2007.) On April 19, 2007, during this process, the Respondent issued a check, No. 282 for \$5,751.02, for the payment of the Elite Branch Manager's present lease payment with Vision Offices. The payment reassured the Elite Branch Manager. He then contracted for the new office to be painted and for the lease to be drawn up. The new lease reflected the Respondent as the lessee. Mr. Robson then informed the Elite Branch Manager that D&R Financial Group would provide financials to Vision Offices and sign on the lease. However, the Respondent would be solely responsible for the lease after ninety (90) days, until then, both Respondent and the Elite Branch manger would be on the lease together. The new lease was executed by the Elite Branch Manager on May 3, 2007. The Elite Branch Manager received a check from the Respondent for the May 2007 lease payment, but prior to cashing it, the Respondent stopped payment on the check. The Respondent never did supply

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- c. Failed to use its license number, as issued on its principal place of business license, within the text of all regulated advertising or business solicitations in Arizona, specifically:
 - i. The Respondent’s advertising file failed to include the principal place of business license number on the “First Time Homebuyers/Problems with Credit” advertisement;
- d. Failed to conduct the minimum elements of reasonable employee investigations before hiring employees, specifically:
 - i. Failed to obtain a completed “I9” (Employment Eligibility Verification Form) before hiring four (4) employees, and two (2) I9 forms were not dated;
 - ii. Failed to obtain Immigration Reform and Control Act documents before hiring three (3) employees;
 - iii. Failed to obtain a completed and signed employment application for four (4) employees;
 - iv. Failed to obtain a signed statement attesting to all of an applicant’s felony convictions, including information regarding each conviction, for four (4) employees;
 - v. Failed to consult with the applicant’s most recent or next most recent employer for eleven (11) employees;
 - vi. Failed to complete the applicant’s most recent or next most recent employer information for twelve (12) employees;
 - vii. Failed to inquire regarding an applicant’s qualifications and competence for the position for twenty two (22) employees;

- 1 viii. Failed to obtain a current credit report from a credit reporting agency for at
2 least two (2) employees;
- 3 ix. Failed to conduct further investigation of eleven (11) employees with
4 derogatory credit reports;
- 5 x. Failed to maintain a concurrent employee agreement for at least one (1)
6 employee;
- 7 xi. Failed to maintain a personnel file for at least one (1) employee;
- 8 xii. Failed to provide the employee's name on the employee list on at least one (1)
9 employee; and
- 10 xiii. Failed to provide correct employment dates for at least twenty-two (22)
11 employees;
- 12 e. Contracted with or paid compensation to unlicensed, independent contractors,
13 specifically:
- 14 i. Respondent paid compensation totaling \$67,165.75 to fourteen (14)
15 unlicensed independent contractors from February 1, 2007 through September
16 17, 2007;
- 17 f. Failed to maintain correct and complete records, specifically:
- 18 i. The Respondent has failed to maintain a list of all executed loan applications.
19 The Respondent has failed to maintain a file, with all documents, for each
20 application for a mortgage loan, and has destroyed documents from some
21 files;
- 22 ii. The Respondent has failed to maintain copies of bank account activity source
23 documents; and
- 24 iii. Two (2) initial deposits dated July 28, 2006 for \$2,900.00 and August 4, 2006
25 for \$3,090.00, have not been documented and Respondent cannot explain the
26 deposits;

1 g. Failed to adequately reconcile and update its records on a monthly basis;

2 h. Failed to maintain a complete loan application list, specifically:

3 i. The Respondent has supplied three (3) different loan logs for examination.

4 The initial log was inaccurate and was missing loan applications. The second
5 loan log was updated to reflect accurate information and was provided with a
6 letter of explanation on how the log was repaired. The third and most recently
7 received loan log did not incorporate any of the previously supplied
8 information nor did it include the original loans; and

9 ii. The Respondent's list of all executed loan applications failed to include
10 fourteen (14) loans. The following loans were not on the loan log:

11 1. Purchase of 37212 N. 26th Street, Cave Creek, AZ 85331;

12 2. Purchase of 2601 W. Park Street, Phoenix, AZ 85041;

13 3. Purchase of 412 E. Milada Drive, Phoenix, AZ 85042;

14 4. Purchase of 7126 N. 2nd Street, Phoenix, AZ 85020;

15 5. Purchase of 404 E. Milada Drive, Phoenix, AZ 85042;

16 6. Refinance of 404 E. Milada Drive, Phoenix, AZ 85042;

17 7. 3716 W. Loma Lane, Phoenix, AZ 85051;

18 8. 658 W. 1st Street, Mesa, AZ 85201;

19 9. 7265 W. State Avenue, Glendale, AZ 85303;

20 10. 16248 N. 28th Street, Phoenix, AZ 85032;

21 11. 1559 W. Crescent Avenue, Mesa, AZ 85202;

22 12. 10543 Wamelia Avenue, Avondale, AZ 85323;

23 13. 1257 E. Fountain Street, Mesa, AZ 85203; and

24 14. 8128 W. Earl Drive, Phoenix, AZ 85933;

25 i. Failed to maintain correct and complete originals or copies of loan transactions,
26 specifically:

- 1 i. The Respondent has failed to maintain at least two (2) loan applications;
- 2 ii. The Respondent has failed to maintain at least thirteen (13) fee agreements;
- 3 iii. The Respondent has failed to maintain at least sixteen (16) contract
- 4 agreements;
- 5 iv. The Respondent has failed to maintain at least one (1) set of escrow
- 6 instructions;
- 7 v. The Respondent has failed to maintain at least three (3) assignments of
- 8 beneficial interest;
- 9 vi. The Respondent has failed to maintain at least ten (10) documents showing
- 10 compliance with the Consumer Credit Protection Act and RESPA, including
- 11 five (5) sets of initial disclosures, four (4) initial Good Faith Estimates, and
- 12 one (1) initial Truth in Lending disclosure;
- 13 vii. The Respondent has failed to maintain at least two (2) deeds of trust;
- 14 viii. The Respondent has failed to maintain at least two (2) sets of closing
- 15 instructions;
- 16 ix. The Respondent has failed to maintain at least fifteen (15) appraisals; and
- 17 x. The Respondent has imaged loan files from the inception of the business.
- 18 After the files were imaged, the original files were destroyed. Numerous
- 19 documents are missing from the imaged files;
- 20 j. Failed to use a statutorily correct written fee agreement, signed by all parties, when
- 21 accepting advance fees and/or documents in connection with mortgage loan
- 22 applications;
- 23 k. Allowed borrowers to sign regulated documents containing blank spaces, specifically:
 - 24 i. At least twenty eight (28) Truth in Lending disclosures were signed in blank;
 - 25 ii. At least six (6) servicing transfer disclosures were signed in blank;
 - 26 iii. At least two (2) Borrower Signature Authorizations were signed in blank;

- 1 iv. At least two (2) Borrower's Certification and Authorizations were signed in
- 2 blank;
- 3 v. At least two (2) credit score disclosures were signed in blank; and
- 4 vi. At least two (2) mortgage loan origination agreements were signed in blank;
- 5 1. Failed to comply with the disclosure requirements of Title I of the Consumer Credit
- 6 Protection Act (15 U.S.C. §§ 1601 through 1666j), the Real Estate Settlement
- 7 Procedures Act (12 U.S.C. §§ 2601 through 2617), and the regulations promulgated
- 8 under these acts, specifically:
 - 9 i. The servicing transfer disclosure was missing for eight (8) borrowers;
 - 10 ii. The servicing transfer disclosure was incomplete for three (3) borrowers;
 - 11 iii. The Good Faith Estimate was missing for seven (7) borrowers;
 - 12 iv. The Truth in Lending disclosure was missing for three (3) borrowers;
 - 13 v. The Truth in Lending disclosure was incomplete for twenty three (23)
 - 14 borrowers;
 - 15 vi. All initial disclosures were missing from two (2) borrowers' files;
 - 16 vii. The documents failed to disclose fees for six (6) borrowers;
 - 17 viii. The documents under-disclosed fees for two (2) borrowers; and
 - 18 ix. The documents did not include the APR calculation of all fees charged for
 - 19 four (4) borrowers;
- 20 m. Misrepresented or concealed an essential or material fact in the course of the
- 21 mortgage broker business, and engaged in illegal or improper business practices,
- 22 specifically:
 - 23 i. Respondent provided sixteen (16) fully executed sub-leases for its branch
 - 24 office locations where the original lease was not signed by the Respondent.
 - 25 Respondent represented these sub-leases as being true and correct. Interviews
 - 26 with eight (8) branch managers confirmed that each branch manager was

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ii. Respondent originated and negotiated four (4) mortgage loan transactions on two (2) different properties for a borrower. Respondent's loan log reflects the loan officer for all transactions was the same person:

1. Transactions one and two funded by M&T Bank on 3-27-07:

An owner occupied purchase including a 1st and 2nd mortgage loan totaling \$530,000.00, on a property located at 4323 W. Pearce Rd. Laveen, AZ

2. Transactions three and four funded by Home Capital Funding on 3-30-07:

An owner occupied purchase including a 1st and 2nd mortgage loan totaling \$425,000.00, on a property located at 2601 W. Park Street, Phoenix, AZ

The mortgage file for transactions three (3) and four (4) contained a Fannie Mae loan application (1003), dated March 23, 2007, which failed to disclose transactions one (1) and two (2) on the Schedule of Real Estate Owned. Transactions one (1) and two (2) were closed in the borrower's name and contain a final HUD-1 settlement statement, showing a settlement date of March 27, 2007. The failure to disclose transactions one (1) and two (2) concealed a \$530,000.00 mortgage obligation from the lender on transactions three (3) and four (4);

iii. Respondent originated and negotiated four (4) mortgage loan transactions on two (2) different properties for a borrower. Respondent's loan log reflects the

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loan officer for all transactions was the same person:

1. Transaction One Funded by Plaza Home Mortgage on 10-31-06:

An owner occupied purchase including a 1st and 2nd mortgage loan totaling \$1,400,000.00, on a property located at 7126 N. 2nd Street, Phoenix, AZ

2. Transaction Two Funded by New Century Mortgage on 11-28-06:

An owner occupied purchase including a 1st and 2nd mortgage loan totaling \$330,000.00, on a property located at 8137 W. Tuckey Lane, Glendale, AZ

The mortgage file for transaction one (1) contains a final HUD-1 settlement statement, dated October 31, 2006, reflecting the disbursement of \$290,000.00 to Los Cobo Enterprises, a newly opened bank account name of the borrower, allowing cash back to the purchaser of the property. The failure to disclose the disbursement concealed from the lender a \$290,000.00 cash disbursement to the borrower. This failure also concealed the true sales price and value of the property from the lender.

The mortgage file for transaction two (2) contained a Fannie Mae loan application (1003), dated November 22, 2006, which failed to disclose transaction one (1) on the Schedule of Real Estate Owned. Transaction one (1) was closed in the borrower's name and contains a final HUD-1 settlement statement, showing a settlement date of October 31, 2006. The failure to disclose transaction one (1) concealed from the lender a \$1,400,000.00 mortgage obligation.

The mortgage file for transaction two (2) contained a final HUD-1 settlement statement, dated November 28, 2006, reflecting the disbursement of \$80,000.00 to Los Cobo Enterprises, a newly opened bank account name of the borrower, allowing cash back to the purchaser of the property. The failure to disclose to the lender the disbursement concealed an \$80,000.00 cash

1 disbursement to the borrower. This failure also concealed the true sales price
2 and value of the property from the lender;

3 iv. The Respondent originated and negotiated a mortgage loan transaction on
4 three (3) different properties for a borrower. Five (5) loans were originated
5 for the borrower. The Respondent's loan log reflects the loan officer for all
6 transactions was the same person:

7 1. Transaction One (1) Funded by American Brokers Conduit on 1-25-07:

8 An owner occupied purchase including a 1st and 2nd mortgage loan totaling
9 \$375,000.00, on a property located at 404 E. Milada Drive, Phoenix, AZ

10 2. Transaction Two (2) Funded by Spectrum Financial Group on 1-31-07:

11 An owner occupied purchase including a 1st mortgage loan totaling
12 \$458,912.00, on a property located at 6847 S. 27th Place, Phoenix, AZ

13 3. Transaction Three (3) Funded by Greenpoint Mortgage Funding on
14 3-12-07:

15 An owner occupied refinance including a 1st and 2nd mortgage loan totaling
16 \$451,000.00, on a property located at 404 E. Milada Drive, Phoenix, AZ

17 The mortgage file for transaction two (2) contained a Fannie Mae loan
18 application (1003) dated January 27, 2007, which failed to disclose
19 transaction one (1) on the Schedule of Real Estate Owned. Transaction one
20 (1) was closed in the borrower's name and contains a final HUD-1 settlement
21 statement, showing a settlement date of January 25, 2006. The failure to
22 disclose transaction one (1) concealed from the lender a \$375,000.00
23 mortgage obligation on transaction two (2).

24 The mortgage file for transaction three (3) contained a Fannie Mae loan
25 application (1003), dated March 7, 2007, which failed to disclose transaction
26 two (2) on the Schedule of Real Estate Owned. Transaction two (2) was
closed in the borrower's name and contains a final HUD-1 settlement

1 statement, showing a settlement date of January 31, 2007. The failure to
2 disclose transaction two (2) concealed a \$458,912.00 mortgage obligation
3 from the lender on transaction three (3);

- 4 v. The Respondent originated and negotiated a mortgage loan transaction on two
5 (2) different properties for a borrower. Two (2) loans were originated for the
6 borrower. The Respondent's loan log reflects the loan officer for all
7 transactions was the same person:

8 1. Transaction One (1) Funded by Mila, Inc. on 9-21-06:

9 An owner occupied purchase including a 1st mortgage loan totaling
\$382,500.00, on a property located at 37212 N. 26th Street, Cave Creek, AZ

10 2. Transaction Two (2) Funded by Hamilton Mortgage Company on
11 10-30-06:

12 An owner occupied refinance including a 1st mortgage loan totaling
\$342,000.00, on a property located at 4143 E. Hallihan Drive, Cave Creek,
13 AZ

14 The mortgage file for transaction two (2) contained a Fannie Mae loan
15 application (1003) dated October 19, 2006, which failed to disclose
16 transaction one (1) on the Schedule of Real Estate Owned. Transaction one
17 (1) was closed in the borrower's name and contains a final HUD-1 settlement
18 statement, showing a settlement date of September 21, 2006. The failure to
19 disclose transaction one (1) concealed from the lender a \$382,500.00
20 mortgage obligation on transaction two (2);

- 21 vi. The Respondent originated and negotiated a mortgage loan transaction on four
22 (4) different properties for a borrower. Six (6) loans were originated for the
23 borrower. The Respondent's loan log reflects the loan officers for all
24 transactions were the same two people:

25 1. Transaction One (1) Funded by American Brokers Conduit on 9-14-06:

26 A non-owner occupied refinance including a 1st mortgage loan totaling
\$247,000.00, on a property located at 5237 N. 59th Drive, Glendale, AZ
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2. Transaction Two (2) Funded by American Brokers Conduit on 9-14-06:

A non-owner occupied refinance including a 1st mortgage loan totaling \$247,000.00, on a property located at 5229 N. 59th Drive, Glendale, AZ 85301

3. Transaction Three (3) Funded by Greenpoint Mortgage Funding, Inc on 9-22-06:

A non-owner occupied refinance including a 1st and 2nd mortgage loan totaling \$252,000.00, on a property located at 2715 W. Tuckey Lane, Phoenix, AZ 85017

4. Transaction Four (4) Funded by Greenpoint Mortgage Funding, Inc on 9-22-06:

A non-owner occupied refinance including a 1st and 2nd mortgage loan totaling \$252,000.00, on a property located at 2721 W. Tuckey Lane, Phoenix, AZ 85017

The mortgage transaction one (1) contained a Fannie Mae loan application (1003), dated September 9, 2006, which failed to disclose the ownership and existing mortgage obligation on the Schedule of Real Estate Owned for 2715 W. Tuckey Lane, Phoenix, AZ and 2721 W. Tuckey Lane, Phoenix, AZ. Both properties were owned since May 26, 2005. Transaction one (1) was closed in the borrower's name and contains a final HUD-1 settlement statement, showing a settlement date of September 14, 2006. The failure to disclose 2715 W. Tuckey Lane, Phoenix, AZ concealed from the lender a \$241,000.00 mortgage obligation. The failure to disclose 2721 W. Tuckey Lane, Phoenix, AZ concealed from the lender a \$241,000.00 mortgage obligation.

The mortgage transaction two (2) contained a Fannie Mae loan application (1003), dated September 9, 2006, which failed to disclose the ownership and existing mortgage obligation on the Schedule of Real Estate Owned for 2715 W. Tuckey Lane, Phoenix, AZ and 2721 W. Tuckey Lane, Phoenix, AZ. Both properties were owned since May 26, 2005. Transaction two (2) was closed in

1 the borrower's name and contains a final HUD-1 settlement statement,
2 showing a settlement date of September 13, 2006. The failure to disclose 2715
3 W. Tuckey Lane, Phoenix, AZ concealed from the lender a \$241,000.00
4 mortgage obligation. The failure to disclose 2721 W. Tuckey Lane, Phoenix,
5 AZ concealed a \$241,000.00 mortgage obligation from the lender. (This
6 transaction was originated and processed by the Respondent, but it was funded,
7 without a transfer letter, in the name of Delcor Mortgage, Inc.)

8
9 The mortgage file for transaction three (3) contained a Fannie Mae loan
10 application (1003), dated September 20, 2006, which failed to disclose the new
11 mortgage obligation from transactions one (1) and two (2) on the Schedule of
12 Real Estate Owned. Transaction one (1) was closed in the borrower's name
13 and contains a final HUD-1 settlement statement, showing a settlement date of
14 September 14, 2006. The failure to disclose transaction one (1) concealed an
15 additional \$77,000.00 mortgage obligation from the lender. Transaction two
16 (2) was closed in the borrower's name and contains a final HUD-1 settlement
17 statement, showing a settlement date of September 13, 2006. The failure to
18 disclose transaction two (2) concealed from the lender an additional
19 \$77,000.00 mortgage obligation.

20
21 The mortgage file for transaction four (4) contained a Fannie Mae loan
22 application (1003), dated September 20, 2006, which failed to disclose the new
23 mortgage obligations from transactions one (1) and two (2) on the Schedule of
24 Real Estate Owned. Transaction one (1) was closed in the borrower's name
25 and contains a final HUD-1 settlement statement, showing a settlement date of
26 September 14, 2006. The failure to disclose transaction one (1) concealed

1 from the lender an additional \$77,000.00 mortgage obligation. Transaction
2 two (2) was closed in the borrower's name and contains a final HUD-1
3 settlement statement, showing a settlement date of September 13, 2006. The
4 failure to disclose transaction two (2) concealed from the lender an additional
5 \$77,000.00 mortgage obligation; and

6 vii. The Respondent originated and negotiated an owner occupied mortgage loan
7 transaction on a property located at 323 N. Laurel Avenue, Phoenix, AZ for a
8 borrower. One loan was originated. The borrower is a self-employed flooring
9 installer. The initial loan documents from the borrower included copies of
10 1040 tax returns from 2004, 2005 and 2006. No documentation was provided
11 for 2007 income. A thirty six (36) month average income from these 1040's
12 was \$1,015.00 per month. A twenty four (24) month average of the most
13 recent 2 years was \$1,111.00 per month. The Respondent used an income of
14 \$3,250.00 per month to qualify the borrower for a stated income, adjustable
15 rate mortgage with a two (2) year prepayment penalty. The Respondent was
16 compensated \$4,796.25 at the funding of this loan. The Respondent has
17 misrepresented this borrower's income. Additionally, prior to imaging the
18 closed loan file for storage the Respondent removed and did not include the
19 three (3) years of 1040s, along with other documents, from its file;

20 n. Brent Perkins ("Mr. Perkins"), Respondent's Responsible Individual, failed to be in
21 active management of Respondents' activities as governed by Arizona Revised
22 Statutes Title 6, Chapter 9, Article 1, specifically:

23 i. Mr. Perkins is not knowledgeable about the Respondent's Arizona activities
24 and has not supervised compliance with Arizona statutes and rules as
25 evidenced by the following:
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1. Respondent conducted mortgage broker business at unlicensed branch offices, where photocopies of the corporate license were used;
 2. Respondent transferred or assigned their mortgage broker license, resulting in autonomous branch offices;
 3. Compensation has been paid to unlicensed, independent contractors;
 4. Failure to assume all responsibilities, for instance, employee-owned companies are reimbursed expenses that should have been paid by Respondent directly to the vendors;
 5. Respondent has originated and closed fourteen (14) loans that contain misrepresentations and/or conceal material facts;
 6. Numerous loans were originated prior to licensing; and
 7. Accurate loan and employee records have not been maintained properly, and some document have been destroyed; and
- o. Failed to maintain and retain all mortgage loan documents, specifically:
- i. The Respondent has not maintained nor retained all mortgage loan documents. The Respondent has imaged selected documents and destroyed the remaining portions of the transaction;
 - ii. On April 3, 2007 the Respondent was requested to stop imaging files and to retain all future closed loans;
 - iii. On April 20, 2007, the Respondent signed a letter of assurance regarding the records retention and was granted approval to maintain records via computer or mechanical record keeping systems; and
 - iv. At the exit interview for this examination, a copy of a file, already in the possession of the Department, was requested from the Respondent, to verify

1 the completeness of the Respondent's corrected imaging practice. The file
2 was found to be missing the following documents, which were present in the
3 initially received copy package or had been altered:

- 4 1. Initial Truth in Lending disclosure (signed and dated May 4, 2007);
- 5 2. Three (3) years of 1040 tax returns (2004, 2005 & 2006); and
- 6 3. The Servicing Disclosure Statement was signed May 4, 2007, but
7 blank in the initial file. In the imaged file copy or second copy
8 package, the disclosure was completed by hand, giving the appearance
9 of a correctly completed form.

10 CONCLUSIONS OF LAW

- 11 1. Pursuant to A.R.S. §§ 6-901, *et seq.*, the Superintendent has the authority and duty to
12 regulate all persons engaged in the mortgage broker business and with the enforcement of statutes,
13 rules, and regulations relating to mortgage brokers.
- 14 2. By the conduct set forth in the Findings of Fact, Respondent violated the following:
 - 15 a. A.R.S. §§ 6-903(A) and 6-901(6) by acting as a mortgage broker while not licensed,
16 and A.R.S. § 6-904(F) by failing to obtain a branch office license;
 - 17 b. A.R.S. § 6-903(O) by transferring or assigning its mortgage broker license;
 - 18 c. A.R.S. §§ 6-903(M) and 6-906(D) by failing to use its name and license number, as
19 issued on its principal place of business license, within the text of all regulated
20 advertising or business solicitations;
 - 21 d. A.R.S. § 6-903(N) and A.A.C. R20-4-102 by failing to conduct the minimum
22 elements of reasonable employee investigations before hiring employees;
 - 23 e. A.R.S. § 6-909(B) and A.A.C. R20-4-102 by contracting with or paying
24 compensation to unlicensed, independent contractors;
 - 25 f. A.R.S. § 6-906(A) and A.A.C. R20-4-917(B) by failing to maintain correct and
26

- 1 complete records at Respondent's principal place of business;
- 2 g. A.A.C. R20-4-917(C) by failing to adequately reconcile and update their records on a
- 3 monthly basis;
- 4 h. A.A.C. R20-4-917(B)(1) by failing to maintain a complete loan application list;
- 5 i. A.R.S. § 6-906(A) and A.A.C. R20-4-917(B)(6) by failing to maintain correct and
- 6 complete originals or copies of loan transactions;
- 7 j. A.R.S. § 6-906(C) by failing to use a statutorily correct written fee agreement, signed
- 8 by all parties, when accepting advance fees and/or documents in connection with
- 9 mortgage loan applications;
- 10 k. A.R.S. § 6-909(A) and A.A.C. R20-4-921 by allowing borrowers to sign regulated
- 11 documents containing blank spaces;
- 12 l. A.R.S. § 6-906(D) and A.A.C. R20-4-917(B)(6)(e) by failing to comply with the
- 13 disclosure requirements of Title I of the Consumer Credit Protection Act (15 U.S.C.
- 14 §§ 1601 through 1666j), the Real Estate Settlement Procedures Act (12 U.S.C.
- 15 §§ 2601 through 2617), and the regulations promulgated under these acts;
- 16 m. A.R.S. § 6-909(L) by misrepresenting or concealing an essential or material fact in
- 17 the course of the mortgage broker business and A.R.S. § 6-909(N) by engaging in
- 18 illegal or improper business practices;
- 19 n. A.R.S. § 6-903(E) and A.A.C. R20-4-102 by failing to ensure that the responsible
- 20 individual maintains a position of active management; and
- 21 o. A.A.C. R20-4-917(D) by failing to maintain and retain all mortgage loan documents.

22 3. The violations of applicable laws, set forth above, constitute grounds to suspend or
23 revoke Respondent's mortgage broker license, number MB 0908484, pursuant to A.R.S. § 6-905(A).

24 4. Respondent misrepresented or concealed an essential or material fact in the course of
25 the mortgage broker business by concealing material facts and making misrepresentations to lenders
26 regarding several borrowers, thereby engaging in illegal or improper business practices, which are

1 grounds for suspension or license revocation pursuant to A.R.S. § 6-905(A)(3).

2 5. The violations, set forth above, constitute grounds for the pursuit of any other remedy
3 necessary or proper for the enforcement of statutes and rules regulating mortgage brokers in Arizona
4 pursuant to A.R.S. §§ 6-123 and 6-131.

5 6. Pursuant to A.R.S. § 6-132, Respondent's violations of the aforementioned statutes
6 are grounds for a civil penalty of not more than five thousand dollars (\$5,000.00) for each violation
7 for each day.

8 **ORDER**

9 1. Respondent's Mortgage Broker License is hereby revoked.

10 2. Respondent shall pay to the Department a civil money penalty in the amount of **thirty**
11 **thousand dollars (\$30,000.00)**. This payment shall be delivered to the Department upon execution
12 of this Consent Order.

13 3. The provisions of this Order shall be binding upon Respondent, and resolves the Notice
14 of Hearing, subject to Respondent's compliance with the requirements of this Order. Should
15 Respondent fail to comply with this order the Superintendent shall initiate further disciplinary
16 proceedings.

17 4. The provisions of this Order shall be binding upon Respondent, its employees, agents,
18 and other persons participating in the conduct of the affairs of D&R Financial Group, LLC.

19 5. This Order shall become effective upon service, and shall remain effective and
20 enforceable until such time as, and except to the extent that, it shall be stayed, modified, terminated,
21 or set aside.

22 SO ORDERED this 18 day of Photo. CA, 2008.

23 Felecia A. Rotellini
24 Superintendent of Financial Institutions

25 Photo. CA
26 By: Robert D. Charlton
Assistant Superintendent of Financial Institutions

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CONSENT TO ENTRY OF ORDER

1. Respondent acknowledges that it has been served with a copy of the foregoing Findings of Fact, Conclusions of Law, and Order in the above-referenced matter, has read the same, is aware of its right to an administrative hearing in this matter, and has waived the same.

2. Respondent admits the jurisdiction of the Superintendent and consents to the entry of the foregoing Findings of Fact, Conclusions of Law, and Order.

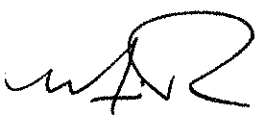
3. Respondent states that no promise of any kind or nature has been made to induce it to consent to the entry of this Order, and that it has done so voluntarily.

4. Respondent acknowledges that the acceptance of this Agreement by the Superintendent is solely to settle this matter and does not preclude this Department, any other agency or officer of this state or subdivision thereof from instituting other proceedings as may be appropriate now or in the future.

5. Michael D. Robson, on behalf of D&R Financial Group, LLC and himself, represents that he is the Managing Member, and that, as such, has been authorized by D&R Financial Group, LLC to consent to the entry of this Order on its behalf.

6. Respondent waives all rights to seek judicial review or otherwise to challenge or contest the validity of this Consent Order.

DATED this 16th day of September, 2008.

By 
Michael D. Robson, Managing Member
D&R Financial Group, LLC

1 ORIGINAL of the foregoing filed this 18th
2 day of September, 2008, in the office of:

3 Felecia A. Rotellini
4 Superintendent of Financial Institutions
5 Arizona Department of Financial Institutions
6 ATTN: Susan Longo
7 2910 N. 44th Street, Suite 310
8 Phoenix, AZ 85018

9 COPY mailed/delivered same date to:

10 Hon. Thomas Shedden
11 Administrative Law Judge
12 Office of the Administrative Hearings
13 1400 West Washington, Suite 101
14 Phoenix, AZ 85007

15 Erin O. Gallagher
16 Assistant Attorney General
17 Office of the Attorney General
18 1275 West Washington
19 Phoenix, AZ 85007

20 Robert D. Charlton, Assistant Superintendent
21 Brian Naig, Senior Examiner
22 Arizona Department of Financial Institutions
23 2910 N. 44th Street, Suite 310
24 Phoenix, AZ 85018

25 AND COPY MAILED SAME DATE by
26 Certified Mail, Return Receipt Requested, to:

Paul Roshka, Esq.
James Maguire, Esq.
One Arizona Center
400 E. Van Buren Street, Suite 800
Phoenix, AZ 85004
Attorneys for Respondents

21 *Susan Longo*
22 264287; PHX-AGN-2008-0155