

1 ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

2 In the Matter of the Mortgage Broker License of: No. 07F-BD 088 -SBD

3 **LIBERTY ONE LENDING**
4 **INCORPORATED AND MATTHEW D.**
5 **GODDARD, PRESIDENT**
42104 Venture Dr., Bldg. D-106, Ste. 4
Anthem, AZ 85086

**ORDER TO CEASE AND DESIST;
NOTICE OF OPPORTUNITY FOR
HEARING; CONSENT TO ENTRY OF
ORDER**

Respondents.

6
7 The Superintendent of Financial Institutions for the State of Arizona (the "Superintendent"),
8 makes the following Findings of Fact and Conclusions of Law and enters the following Order
9 pursuant to Arizona Revised Statutes ("A.R.S.") § 6-137.

10 Pursuant to Titles 6 and 41 of the Arizona Revised Statutes and Title 20, Chapter 4 of the
11 Arizona Administrative Code ("A.A.C."), Respondents are hereby notified that they are entitled to a
12 hearing to contest the allegations set forth in this Order. The Request for Hearing shall be filed with
13 the Arizona Department of Financial Institutions (the "Department") pursuant to A.R.S. § 6-137(D)
14 within **thirty (30) days** of service of this Order and shall identify with specificity the action or order
15 for which review is sought in accordance with A.R.S. § 41-1092.03(B).

16 Pursuant to A.R.S. §§ 41-1092.01(D) and 41-1092.03(B), any person may appear on his or
17 her own behalf or by counsel. If Respondents are represented by counsel, the information required
18 by A.R.S. § 41-1092.03(B) shall be included in the Request for Hearing. Upon the filing of a
19 Request for Hearing, the Department shall issue a Notice of Hearing scheduling the matter for
20 hearing in accordance with A.R.S. § 41-1092.05. **Persons with disabilities may request**
21 **reasonable accommodations such as interpreters, alternative formats, or assistance with**
22 **physical accessibility.** Requests for special accommodations must be made as early as possible to
23 allow time to arrange the accommodations. If accommodations are required, call the Office of
24 Administrative Hearings at (602) 542-9826.

25 Respondents have the right to request an Informal Settlement Conference, pursuant to A.R.S.
26 § 41-1092.06, by filing a written request no later than **twenty (20) days** before the scheduled

1 hearing. The conference will be held within **fifteen (15) days** after receipt of your request. If an
2 Informal Settlement Conference is requested, a person with the authority to act on behalf of the
3 Department will be present (the "Department Representative"). Please note that in requesting an
4 Informal Settlement Conference, Respondents waive any right to object to the participation of the
5 Department Representative in the final administrative decision of this matter, if it is not settled. In
6 addition, any written or oral statement made by Respondents at such informal settlement conference,
7 including written documentation created or expressed solely for purposes of settlement negotiations,
8 are inadmissible in any subsequent administrative hearing. (*See* A.R.S. § 41-1092.06 for rules
9 regarding informal settlement conferences.) Conversely, any written or oral statement made by
10 Respondents outside an Informal Settlement Conference is not barred from being admitted by the
11 Department in any subsequent hearing.

12 If Respondents do not request a hearing, this Order shall become final. If Respondents
13 request a hearing, the purpose of the hearing shall be to determine if grounds exist for: (1) the
14 issuance of an order pursuant to A.R.S. § 6-137 directing Respondents to cease and desist from the
15 violative conduct and to take the appropriate affirmative actions, within a reasonable period of time
16 prescribed by the Superintendent, to correct the conditions resulting from the unlawful acts,
17 practices, and transactions; (2) the imposition of a civil monetary penalty pursuant to A.R.S. § 6-
18 132; (3) the suspension or revocation of Respondents' license pursuant to A.R.S. § 6-905; and (4) an
19 order or any other remedy necessary or proper for the enforcement of statutes and rules regulating
20 mortgage bankers pursuant to A.R.S. §§ 6-123 and 6-131.

21 FINDINGS OF FACT

22 1. Respondent Liberty One Lending Incorporated ("Liberty") is an Arizona Corporation that is
23 authorized to transact business in Arizona as a mortgage broker within the meaning of A.R.S. § 6-
24 901, *et seq.* The nature of Respondent's business is that of a mortgage broker, within the meaning of
25 A.R.S. § 6-901(6).

26 2. Respondent Matthew D. Goddard ("Mr. Goddard") is the President of Liberty. Mr. Goddard

1 is authorized to transact business in Arizona as a mortgage broker within the meaning of A.R.S. § 6-
2 901, *et seq.*

3 3. Neither Liberty nor Mr. Goddard are exempt from licensure as mortgage brokers within the
4 meaning of A.R.S. § 6-902.

5 4. Liberty is licensed with the Department as a Mortgage Broker, license number 0906102.
6 Liberty's primary address is located at 14557 West Indian School Road, Goodyear, Arizona 85338.
7 Liberty currently has seven (7) licensed branches located at 3010 South Priest Drive, Suite 101,
8 Tempe, Arizona 85282, branch license number 0107296; 1646 North Litchfield Road, Suite 105,
9 Goodyear, Arizona 85338, branch license number 0108473; 1232 East Broadway Road, Suite 218,
10 Tempe, Arizona 85282, branch license number 0110865; 2222 South Dobson Road, Suite 300,
11 Mesa, Arizona 85202, branch license number 0111924; 8027 North Black Canyon Highway, Suite
12 404, Phoenix, Arizona 85021, branch license number 0112376; and 207 North Gilbert Road, Suite
13 001B, Gilbert, Arizona 85234, branch license number 0108474; 222 South Cortez, Prescott, Arizona
14 86303, branch license number 0112850.

15 5. On October 4, 2006, the Department received a copy of a newspaper solicitation. The
16 solicitation did not include nor use the Licensee's licensed name. The solicitation included a license
17 number of MB0906883, which indicates the advertisement belongs to Premier, Inc., who is a
18 licensed mortgage banker. The Licensee used Premier Inc.'s mortgage banker's license without
19 approval. The Licensee neglected to include an annual percentage rate and/or interest rate and the
20 terms of the loan offered are missing. The solicitation is advertising a location at 42104 Venture
21 Drive, Building D-106, Suite 4, Anthem, Arizona 85086.

22 6. On December 29, 2006, a conversation with Steve Verrone ("Mr. Verrone") revealed that the
23 newspaper advertisement belonged to Liberty. Mr. Verrone explained that the Jerry Castano listed
24 in the advertisement was Liberty's branch manager. Mr. Verrone stated that Liberty had an office
25 located in Anthem and do loans all over the nation. The advertised location is not a licensed branch
26 location for Liberty to conduct business as a mortgage banker in Arizona.

1 7. These Findings of Fact shall also serve as Conclusions of Law.

2 **CONCLUSIONS OF LAW**

3 1. Pursuant to A.R.S. § 6-901, *et seq.*, the Superintendent has the authority and duty to
4 regulate all persons engaged in the mortgage broker business and with the enforcement of statutes,
5 rules and regulations relating to mortgage brokers.

6 2. Liberty's and Mr. Goddard's conduct as set forth in the Findings of Fact constitutes the
7 conduct of an unlicensed mortgage broker branch license in violation of A.R.S. § 6-904(F).

8 3. Liberty's and Mr. Goddard's newspaper advertisement is in violation of A.R.S. §§ 6-
9 903(M) and 6-909(L).

10 4. Neither Liberty nor Mr. Goddard meet any of the exemptions to the licensing
11 requirements set forth in A.R.S. §6-902(A).

12 5. The violations set forth above constitute grounds for: (1) the issuance of an order
13 pursuant to A.R.S. § 6-137 directing Respondents to cease and desist from the violative conduct and
14 to take the appropriate affirmative actions, within a reasonable period of time prescribed by the
15 Superintendent to correct the conditions resulting from the unlawful acts, practices, and transactions;
16 (2) the imposition of a monetary civil penalty pursuant to A.R.S. § 6-132; (3) the suspension or
17 revocation of Respondents' license pursuant to A.R.S. § 6-905; and (4) an order or any other remedy
18 necessary or proper for the enforcement of statutes and rules regulating mortgage brokers pursuant to
19 A.R.S. §§ 6-123 and 6-131.

20 **ORDER**

21 1. Liberty and Mr. Goddard shall immediately stop all mortgage broker activity at their
22 branch location of 42104 Venture Drive, Building D-106, Suite 4, Anthem, Arizona 85086 until such
23 time as Liberty or Mr. Goddard have obtained a mortgage broker branch license from the
24 Superintendent as prescribed by A.R.S. § 6-904(F). Liberty and Mr. Goddard shall immediately
25 cease all solicitations that do not meet the requirements and guidelines of the Arizona Revised
26 Statutes, Regulation Z, Truth-in-Lending Act, and the Federal Trade Commission. Liberty and Mr.

1 Goddard must comply with all applicable statutory advertising guidelines.

2 2. Liberty and Mr. Goddard shall immediately pay to the Department a civil money
3 penalty in the amount of ~~ten thousand dollars~~ **SEVENTY FIVE HUNDRED DOLLARS (\$7,500.00)** Liberty and Mr. Goddard are jointly
4 and severally liable for payment of the civil money penalty.

5 3. The provisions of this Order shall be binding upon Respondent, its employees, agents
6 and other persons participating in the conduct of the affairs of Respondents.

7 4. This Order shall become effective upon service, and shall remain effective and
8 enforceable until such time as, and except to the extent that, it shall be stayed, modified, terminated
9 or set aside.

10 SO ORDERED this 15 day of March, 2007.

11 Felecia A. Rotellini
12 Superintendent of Financial Institutions

13 By: Robert D. Charlton
14 Robert D. Charlton
15 Assistant Superintendent

16 **CONSENT TO ENTRY OF ORDER**

17 1. Respondents acknowledge that they have been served with a copy of the foregoing
18 Findings of Fact, Conclusions of Law, and Order in the above-referenced matter, have read the
19 same, are aware of their right to an administrative hearing in this matter, and have waived the same.

20 2. Respondents admit the jurisdiction of the Superintendent and consent to the entry of
21 the foregoing Findings of Fact, Conclusions of Law, and Order.

22 3. Respondents state that no promise of any kind or nature has been made to induce
23 them to consent to the entry of this Order, and that they have done so voluntarily.

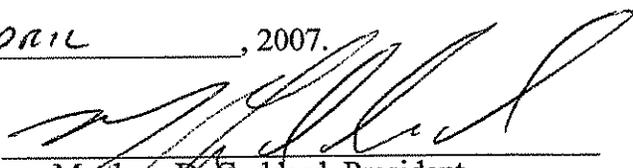
24 4. Respondents agree to cease from engaging in the violative conduct set forth above in
25 the Findings of Fact and Conclusions of Law.

26 5. Respondents acknowledge that the acceptance of this Agreement by the
Superintendent is solely to settle this matter and does not preclude this Department, any other agency

1 or officer of this state or subdivision thereof from instituting other proceedings as may be
2 appropriate now or in the future.

3 6. Mr. Matthew D. Goddard, President, on behalf Liberty One Lending, Incorporated
4 and himself, represents that he is the President, and that, as such, has been authorized by Liberty One
5 Lending Incorporated to consent to the entry of this Order on its behalf.

6 7. Respondents waive all rights to seek judicial review or otherwise to challenge or
7 contest the validity of this Cease and Desist Order.

8
9 DATED this 10th day of April, 2007.
10
11 By: 
12 Matthew D. Goddard, President
13 Liberty One Lending, Incorporated

14 ORIGINAL of the foregoing filed this 15
15 day of March, 2007, in the office of:

16 Felecia A. Rotellini
17 Superintendent of Financial Institutions
18 Arizona Department of Financial Institutions
19 ATTN: June Beckwith
20 2910 N. 44th Street, Suite 310
21 Phoenix, AZ 85018

22 COPY mailed/delivered same date to:

23 Erin O. Gallagher
24 Assistant Attorney General
25 Office of the Attorney General
26 1275 West Washington
Phoenix, AZ 85007

Richard Fergus, Division Manager
Tammy Seto, Senior Examiner
Robert D. Charlton, Assistant Superintendent
Arizona Department of Financial Institutions
2910 North 44th Street, Suite 310
Phoenix, AZ 85018

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

Liberty One Lending Incorporated
Matthew D. Goddard, Owner
14557 West Indian School Road
Goodyear, AZ 85338

Liberty One Lending Incorporated
Matthew D. Goddard, Owner
42104 Venture Drive, Bldg. D-106, Ste. 4
Anthem, AZ 85086

Matthew D. Goddard, Statutory Agent for:
Liberty One Lending Incorporated
14557 West Indian School Road
Goodyear, AZ 85338

By: Christina Rash
CPA07-050; 1001045