ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

In the Matter of the Mortgage Broker License of:	No. 10F-BD165-SBD
JACK M. DOUGHTY DBA THREE RIVERS AG INVESTMENTS 2532 E. Birchwood Place Chandler, AZ 85249 Respondent.	**ORDER OF SUMMARY SUSPENSION AND NOTICE OF OPPORTUNITY FOR HEARING**

The Arizona Department of Financial Institutions (the "Department") hereby finds that Jack M. Doughty DBA Three Rivers AG Investments, ("Respondent") has violated the provisions of the Arizona Revised Statutes ("A.R.S."), Title 6 as set forth below and finds that the public health, safety and welfare require emergency action pursuant to A.R.S. §§ 6-905 and 41-1092.11(B).

THEREFORE, IT IS ORDERED to summarily suspend the Arizona mortgage broker license held by Respondent. **This suspension is effective immediately**.

EFFECTIVE this 2nd day of June, 2010.

Lauren W. Kingry
Superintendent of Financial Institutions

By _____
Robert D. Charlton
Assistant Superintendent of Financial Institutions

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

Pursuant to A.R.S. §§ 41-1092.01(D) and 41-1092.03(B), any person may appear on his or

her own behalf or by counsel. If Respondent is represented by counsel, the information required by A.R.S. § 41-1092.03(B) shall be included in the Request for Hearing. Upon the filing of a Request for Hearing, the Department shall issue a Notice of Hearing scheduling the matter for hearing in accordance with A.R.S. § 41-1092.05. **Persons with disabilities may request reasonable accommodations such as interpreters, alternative formats, or assistance with physical accessibility**. Requests for special accommodations must be made as early as possible to allow time to arrange the accommodations. If accommodations are required, call the Office of Administrative Hearings at (602) 542-9826.

Respondent has the right to request an Informal Settlement Conference, pursuant to A.R.S. § 41-1092.06, by filing a written request no later than **twenty (20) days** before the scheduled hearing. The conference will be held within **fifteen (15) days** after receipt of your request. If an Informal Settlement Conference is requested, a person with the authority to act on behalf of the Department will be present (the "Department Representative"). Please note that in requesting an Informal Settlement Conference, Respondent waives any right to object to the participation of the Department Representative in the final administrative decision of this matter, if it is not settled. In addition, any written or oral statement made by Respondent at such informal settlement conference, including written documentation created or expressed solely for purposes of settlement negotiations, are inadmissible in any subsequent administrative hearing. (*See* A.R.S. § 41-1092.06 for rules regarding informal settlement conferences.) Conversely, any written or oral statement made by Respondent outside an Informal Settlement Conference is not barred from being admitted by the Department in any subsequent hearing.

If Respondent does not request a hearing, this Order shall become final. If Respondent requests a hearing, the purpose of the hearing shall be to determine if grounds exist for: (1) the issuance of an order pursuant to A.R.S. § 6-137 directing Respondent to cease and desist from the violative conduct and to take the appropriate affirmative actions, within a reasonable period of time prescribed by the Superintendent, to correct the conditions resulting from the unlawful acts,

practices, and transactions; (2) the imposition of a civil monetary penalty pursuant to A.R.S. § 6-132; (3) the suspension or revocation of Respondent's license pursuant to A.R.S. § 6-905; (4) an order to pay restitution of any fees earned on loans made in violation of A.R.S. §§ 6-901, *et seq.*, pursuant to A.R.S. §§ 6-131(A)(3) and 6-137; and (5) an order or any other remedy necessary or proper for the enforcement of statutes and rules regulating mortgage brokers pursuant to A.R.S. §§ 6-123 and 6-131.

FINDINGS

1. Respondent Jack M. Doughty DBA Three Rivers AG Investments is a sole proprietor authorized to transact business in Arizona as a mortgage broker, license number MB 0018978, within the meaning of A.R.S. §§ 6-901, *et seq.* The nature of Jack M. Doughty DBA Three Rivers AG Investments' business is that of making, negotiating, or offering to make or negotiate loans secured by Arizona real property, within the meaning of A.R.S. § 6-901(11).

2. Pursuant to A.R.S. § 6-903(J), Respondent is required to have a surety bond in the amount set forth in A.R.S. § 6-903(K), or an alternative as set forth in A.R.S. § 6-903(M).

3. On April 14, 2010, the Department received notification from Old Republic Surety Company stating that Jack M. Doughty DBA Three Rivers AG Investments' surety bond, number 20789 in the amount of $15,000.00, was to be cancelled effective May 29, 2010.

4. On April 21, 2010, the Department sent an email to Respondent, to the email address on record with the Department, informing them of the bond cancellation. The Department also sent notification regarding the bond cancellation to Jack M. Doughty DBA Three Rivers AG Investments via the Nationwide Mortgage License System.

5. Respondent failed to provide documentation regarding the reinstatement of their bond or documentation of a new surety bond.

6. Respondent does not have the required surety bond in order to conduct business as a mortgage broker.

7. The conduct described above constitutes an immediate threat to the public health,

safety, and welfare warranting immediate suspension of Respondent's mortgage broker license.

8. The conduct described above constitutes grounds for the suspension of Respondent's mortgage broker license.

LAW

1. Pursuant to A.R.S. Title 6, Chapter 9, the Superintendent has the authority and duty to regulate all persons engaged in the mortgage broker business and with the enforcement of statutes, rules, and regulations relating to mortgage brokers.

2. By the conduct set forth in the Findings, Respondent has failed to maintain the surety bond required by A.R.S § 6-903(J).

3. Pursuant to A.R.S. §§ 6-905 and 41-1092.11(B), the conduct described above constitutes an immediate threat to the public health, safety and welfare warranting immediate suspension of Respondent's mortgage broker license.

4. Respondent has not conducted business in accordance with the law and have violated Title 6, Chapter 9, which constitutes grounds for the suspension or revocation of Respondent's license pursuant to A.R.S. § 6-905(A)(3).

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

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

WHEREFORE, if Respondent does not request a hearing to contest the above Findings or produce evidence of a valid surety bond, Respondent's license shall remain suspended unless and until reinstated or until said license expires by operation of law.

DATED this 2nd day of June, 2010.

Lauren W. Kingry
Superintendent of Financial Institutions

By _____
Robert D. Charlton
Assistant Superintendent of Financial Institutions

ORIGINAL of the foregoing filed this 2nd day of June, 2010, in the office of:

Lauren W. Kingry
Superintendent of Financial Institutions
Arizona Department of Financial Institutions
ATTN: Susan Longo
2910 N. 44th Street, Suite 310
Phoenix, AZ 85018

COPY mailed/delivered same date to:

Craig A. Raby
Assistant Attorney General
Attorney General's Office
1275 West Washington
Phoenix, AZ 85007

Richard Fergus, Licensing Division Manager
Robert D. Charlton, Assistant Superintendent
Arizona Department of Financial Institutions
2910 N. 44th Street, Suite 310
Phoenix, AZ 85018

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

Jack M. Doughty DBA Three Rivers AG Investments
2532 E. Birchwood Place
Chandler, AZ 85249
Respondent

By: _____