

1 ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

2 In the Matter of the Mortgage Broker License of:

No. 11F-BD070-SBD

3 **PRIME SOURCE MODRTGAGE, INC. DBA**
4 **REVERSE MORTGAGES USA A PRIME**
5 **SOURCE MORTGAGE AFFILIATE and**
6 **CURTIS LARSON, PRESIDENT**
7 4513 E. Earll Drive
Phoenix, AZ 85018

**ORDER OF SUMMARY SUSPENSION
AND NOTICE OF OPPORTUNITY FOR
HEARING**


Respondents.

8 The Arizona Department of Financial Institutions (the "Department") hereby finds that Prime
9 Source Mortgage, Inc. DBA Reverse Mortgages USA A Prime Source Mortgage Affiliate and Curtis
10 Larson, President, ("Respondents") have violated the provisions of the Arizona Revised Statutes
11 ("A.R.S."), Title 6 as set forth below and finds that the public health, safety and welfare require
12 emergency action pursuant to A.R.S. §§ 6-905 and 41-1092.11(B).

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

15 EFFECTIVE this 7th day of October, 2010.

16 Lauren W. Kingry
17 Superintendent of Financial Institutions

18 By 
19 Robert D. Charlton
Assistant Superintendent of Financial Institutions

20 PLEASE TAKE NOTICE that, pursuant to Titles 6 and 41 of the Arizona Revised Statutes
21 and Title 20, Chapter 4 of the Arizona Administrative Code ("A.A.C."), Respondents are hereby
22 notified that they are entitled to a hearing to contest the allegations set forth in this Order. The
23 Request for Hearing shall be filed with the Arizona Department of Financial Institutions (the
24 "Department") pursuant to A.R.S. § 6-137(D) within **thirty (30) days** of service of this Order and
25 shall identify with specificity the action or order for which review is sought in accordance with
26

1 A.R.S. § 41-1092.03(B).

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

11 Respondents have the right to request an Informal Settlement Conference, pursuant to A.R.S.
12 § 41-1092.06, by filing a written request no later than **twenty (20) days** before the scheduled
13 hearing. The conference will be held within **fifteen (15) days** after receipt of your request. If an
14 Informal Settlement Conference is requested, a person with the authority to act on behalf of the
15 Department will be present (the "Department Representative"). Please note that in requesting an
16 Informal Settlement Conference, Respondents waive any right to object to the participation of the
17 Department Representative in the final administrative decision of this matter, if it is not settled. In
18 addition, any written or oral statement made by Respondents at such informal settlement conference,
19 including written documentation created or expressed solely for purposes of settlement negotiations,
20 are inadmissible in any subsequent administrative hearing. (See A.R.S. § 41-1092.06 for rules
21 regarding informal settlement conferences.) Conversely, any written or oral statement made by
22 Respondents outside an Informal Settlement Conference is not barred from being admitted by the
23 Department in any subsequent hearing.

24 If Respondents do not request a hearing, this Order shall become final. If Respondents
25 request a hearing, the purpose of the hearing shall be to determine if grounds exist for: (1) the
26 issuance of an order pursuant to A.R.S. § 6-137 directing Respondents to cease and desist from the

1 violative conduct and to take the appropriate affirmative actions, within a reasonable period of time
2 prescribed by the Superintendent, to correct the conditions resulting from the unlawful acts,
3 practices, and transactions; (2) the imposition of a civil monetary penalty pursuant to A.R.S. § 6-
4 132; (3) the suspension or revocation of Respondent's license pursuant to A.R.S. § 6-905; (4) an
5 order to pay restitution of any fees earned on loans made in violation of A.R.S. §§ 6-901, *et seq.*,
6 pursuant to A.R.S. §§ 6-131(A)(3) and 6-137; and (5) an order or any other remedy necessary or
7 proper for the enforcement of statutes and rules regulating mortgage brokers pursuant to A.R.S. §§
8 6-123 and 6-131.

9 FINDINGS

10 1. Respondent Prime Source Mortgage, Inc. DBA Reverse Mortgages USA A Prime
11 Source Mortgage Affiliate is an Arizona Corporation authorized to transact business in Arizona as a
12 mortgage broker, license number MB 0905874, within the meaning of A.R.S. §§ 6-901, *et seq.* The
13 nature of Prime Source Mortgage, Inc. DBA Reverse Mortgages USA A Prime Source Mortgage
14 Affiliate's business is that of making, negotiating, or offering to make or negotiate loans secured by
15 Arizona real property, within the meaning of A.R.S. § 6-901(11).

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

18 3. On July 1, 2010, the Department received notification from Capitol Indemnity
19 Corporation stating that Prime Source Mortgage, Inc. DBA Reverse Mortgages USA A Prime
20 Source Mortgage Affiliate's surety bond, number LP00911463 in the amount of \$10,000.00, was to
21 be cancelled effective September 4, 2010.

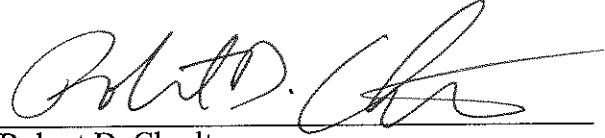
22 4. On August 11, 2010, the Department sent an email to Respondents, to the email
23 address on record with the Department, informing them of the bond cancellation. The Department
24 also sent notification regarding the bond cancellation to Prime Source Mortgage, Inc. DBA Reverse
25 Mortgages USA A Prime Source Mortgage Affiliate via the Nationwide Mortgage License System.

26 5. Respondents failed to provide documentation regarding the reinstatement of their

1 produce evidence of a valid surety bond, Respondent's license shall remain suspended unless and
2 until reinstated or until said license expires by operation of law.

3
4 DATED this 7th day of October, 2010.

5 Lauren W. Kingry
6 Superintendent of Financial Institutions

7
8 By 
9 Robert D. Charlton
Assistant Superintendent of Financial Institutions

10 ORIGINAL of the foregoing filed this 7th
11 day of October, 2010, in the office of:

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

16 COPY mailed/delivered same date to:

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

20 Richard Fergus, Licensing Division Manager
21 Robert D. Charlton, Assistant Superintendent
22 Arizona Department of Financial Institutions
2910 N. 44th Street, Suite 310
23 Phoenix, AZ 85018
24
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26

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

3 Prime Source Mortgage, Inc. DBA Reverse Mortgages USA A Prime Source Mortgage Affiliate
4 Attention: Curtis Larson, President
5 4513 E. Earll Drive
6 Phoenix, AZ 85018
7 Respondent

8 Capital Legal Services Inc., Statutory Agent
9 Prime Source Mortgage, Inc. DBA Reverse Mortgages USA A Prime Source Mortgage Affiliate
10 7830 E. Evans Rd., Suite B
11 Scottsdale, AZ 85260

12 By: *Susan Longo*

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