

1 ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

2 In the Matter of the Unlicensed Activity of:

No. 14F-BD005-SBD

3 **LMT PRO SERVICES, LLC; PATTI**
4 **BOWLER, MANAGING MEMBER AND**
5 **KEVIN ADAM PETERSEN, MANAGING**
6 **MEMBER**

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

8194 W. Deer Valley Road, Suite 248
Peoria, AZ 85382

Respondents.

7
8 The Superintendent of Financial Institutions for the State of Arizona ("Superintendent")
9 makes the following Findings of Fact and Conclusions of Law and enters the following Order
10 pursuant to Arizona Revised Statutes ("A.R.S.") § 6-137. Pursuant to Titles 6 and 41 of the Arizona
11 Revised Statutes and Title 20, Chapter 4 of the Arizona Administrative Code ("A.A.C."),
12 Respondents are hereby notified that they are entitled to a hearing to contest the allegations set forth
13 in this Order. The Request for Hearing shall be filed with the Arizona Department of Financial
14 Institutions ("Department") pursuant to A.R.S. § 6-137(D) within **thirty (30) days** of service of this
15 Order and shall identify with specificity the action or order for which review is sought in accordance
16 with A.R.S. § 41-1092.03(B).

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

26 Respondents have the right to request an Informal Settlement Conference, pursuant to A.R.S.

1 § 41-1092.06, by filing a written request no later than **twenty (20) days** before the scheduled
2 hearing. The conference will be held within **fifteen (15) days** after receipt of your request. If an
3 Informal Settlement Conference is requested, a person with the authority to act on behalf of the
4 Department will be present ("Department Representative"). Please note that in requesting an
5 Informal Settlement Conference, Respondents waive any right to object to the participation of the
6 Department Representative in the final administrative decision of this matter, if it is not settled. In
7 addition, any written or oral statement made by Respondents at such informal settlement conference,
8 including written documentation created or expressed solely for purposes of settlement negotiations,
9 is inadmissible in any subsequent administrative hearing. (See A.R.S. § 41-1092.06 for rules
10 regarding informal settlement conferences.) Conversely, any written or oral statement made by
11 Respondents outside an Informal Settlement Conference is not barred from being admitted by the
12 Department in any subsequent hearing.

13 If Respondents do not request a hearing, this Order shall become final. If Respondents
14 request a hearing, the purpose of the hearing shall be to determine if grounds exist for: (1) the
15 issuance of an order pursuant to A.R.S. § 6-137 directing Respondents to cease and desist from the
16 violative conduct and to take the appropriate affirmative actions, within a reasonable period of time
17 prescribed by the Superintendent, to correct the conditions resulting from the unlawful acts,
18 practices, and transactions; (2) the imposition of a civil monetary penalty pursuant to A.R.S.
19 § 6-132; (3) an order to pay restitution of any fees earned in violation of A.R.S. §§ 6-901 *et seq.*,
20 pursuant to A.R.S. §§ 6-131(A)(3) and 6-137; and (4) an order or any other remedy necessary or
21 proper for the enforcement of statutes and rules regulating mortgage brokers pursuant to A.R.S.
22 §§ 6-123 and 6-131.

23 FINDINGS OF FACT

24 1. Respondent LMT Pro Services, LLC ("LMT") is an Arizona limited liability company
25 that is not and was not, at any time material herein, authorized to transact business in Arizona as a
26 mortgage broker within the meaning of A.R.S. § 6-901(11) or as a commercial mortgage broker

1 within the meaning of A.R.S. § 6-901(2). The nature of LMT's business is that of making,
2 negotiating, or offering to make or negotiate a mortgage loan secured by Arizona real property
3 within the meaning of A.R.S. §§ 6-901(11) and (12), and that of making, negotiating, or offering to
4 make or negotiate a commercial mortgage loan within the meaning of A.R.S. §§ 6-901(2) and (3).¹

5 2. Respondent Patti Bowler ("Ms. Bowler") is the Manager of LMT and is not and was not,
6 at any time material herein, authorized to transact business in Arizona as a mortgage broker or a
7 commercial mortgage broker within the meaning of A.R.S. §§ 6-901 *et seq.*

8 3. Respondent Kevin Adam Petersen ("Mr. Petersen") is the Manager of LMT and is not
9 and was not, at any time material herein, authorized to transact business in Arizona as a mortgage
10 broker or a commercial mortgage broker within the meaning of A.R.S. §§ 6-901 *et seq.*

11 4. Respondents are not exempt from licensure as a mortgage broker within the meaning of
12 A.R.S. § 6-902.

13 5. The Department received complaints indicating that LMT reached out to Arizona
14 residents with promises to assist them with obtaining a mortgage loan and that LMT charged fees for
15 this service. Specifically:

16 a. According to the LTM's website, <http://lmtproservices.com/about-us>, LMT
17 advertised as follows: "With 25 years in the business, our knowledge and ethics
18 surrounding the customer combined with the ability to assist with the impossible,
19 makes us your advocate in buying a home!", "We specialize in Commercial and
20 Residential properties and do have programs available for Land transactions as well."

21 LMT further advertised its role as follows: "we are representatives to a private group
22

23 ¹ The terms "directly or indirectly makes, negotiates, or offers to make or negotiate" as those phrases
24 are defined in A.R.S. § 6-901 mean "Providing consulting or advisory services in connection with a
25 mortgage loan transaction . . . or commercial mortgage loan transactions; . . . [t]o a borrower,
26 concerning the location or identity of potential investors or lenders, or Providing assistance in
preparing an application for a mortgage loan transaction . . . or commercial mortgage banking loan
transaction, regardless of whether the person providing assistance directly contacts any potential
investor or lender; and Processing a loan." A.A.C. Rule 20-4-102.

1 of lenders that offer investor loans to the general public,” stating that “[LMT’s]
2 private lenders specialize in Non-Traditional Investor Residential, Commercial
3 Loans.”

4 b. On its website, LMT provided a detailed description of the “loan process” and “start
5 application” process, including featured loan terms:

- 6 • 105% loan to value,
- 7 • 4.99% residential,
- 8 • 4.99% land,
- 9 • 5.99% commercial,
- 10 • fixed rates,
- 11 • credit problems OK,
- 12 • no pre-payment penalties,
- 13 • residential/land fees, and
- 14 • commercial processing fees.

15 c. Under LMT’s “loan process,” LMT required that its clients first complete a basic loan
16 application so that their debt to income ratios and ability to repay could be
17 determined. Qualifying clients would then receive a pre-qualification letter from
18 LMT’s affiliated private lender, and be required to pay a \$5,000 fee consisting of
19 \$3,500 to be paid to the private lender and \$1,500 “affiliate payment” to be paid to
20 LMT.

21 d. At least four (4) Arizona residents signed up to receive services from LMT and paid
22 fees to LMT in the course of LMT’s operation in 2012.

23 e. A form of the LMT’s contract with its clients described LMT’s services as follows:

- 24 • Consultation and assistance with Real Estate Agent working with this
25 private funding program
- 26 • Access and assistance in establishing a contract on a property, including
advising and training to client and their agent
- Consultation and assistance in the compiling of documents and necessary
items to be packaged properly and sent to the affiliate lender.

f. Once a client was pre-qualified, LMT’s processing team forwarded a pre-
qualification notice to its clients, which set forth the loan conditions and which stated,
among other things, that the notice was “issued for the sole purpose of informing

1 concerned parties of the mortgage amount for which they are eligible.”

2 g. In response to the inquiry from the Department as to whether LMT engaged in
3 unlicensed activity as a mortgage broker, Ms. Bowler stated that LMT was “solely an
4 associate business” to a private lender, SCS Private Funding LLC (“SCS”), which
5 was in business of “Private Financing or Private Funding Sector” and that LMT was
6 “told” that it would not be “regulated because of the Private Funding aspect of the
7 program.”

8 6. These Findings of Fact shall also serve as Conclusions of Law.

9 CONCLUSIONS OF LAW

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

13 2. By the conduct set forth above, Respondents have violated the following:

- 14 a. A.R.S. § 6-903(A) by acting in the capacity of a mortgage broker or a commercial
15 mortgage broker in the State of Arizona, as defined by A.R.S. § 6-901(11) and
16 A.R.S. § 6-901(2), without having first applied for and obtained a mortgage broker
17 license from the Superintendent pursuant to A.R.S. Title 6, Chapter 9; and
18 b. A.R.S. § 6-909(B) by accepting compensation, as defined by A.R.S. § 6-901(2),
19 for arranging for or negotiating a mortgage loan when not licensed pursuant to
20 A.R.S. Title 6, Chapter 9.

21 3. Respondents do not meet any of the exemptions to the licensing requirements set forth in
22 A.R.S. § 6-902.

23 4. The violations, set forth above, constitute grounds for: (1) the issuance of an order
24 pursuant to A.R.S. § 6-137 directing Respondents to cease and desist from the violative conduct and
25 to take the appropriate affirmative actions, within a reasonable period of time prescribed by the
26 Superintendent, to correct the conditions resulting from the unlawful acts, practices, and

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

6 **ORDER**

7 1. LMT Pro Services, LLC, Ms. Bowler and Mr. Petersen (collectively, "Respondents")
8 shall immediately stop all mortgage broker activity in Arizona until such time as Respondents have
9 obtained a mortgage broker license from the Superintendent as prescribed by A.R.S. § 6-903.

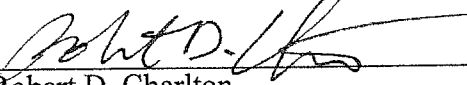
10 2. Respondents shall immediately pay to the Department a civil money penalty in the
11 amount of **ten thousand dollars (\$10,000.00)**. Respondents are jointly and severally liable for
12 payment of the civil money penalty.

13 3. Respondents shall comply with all Arizona statutes and rules regulating Arizona
14 mortgage brokers (A.R.S. §§ 6-901 *et seq.*).

15 4. The provisions of this Order shall be binding upon Respondents, their employees,
16 agents, and other persons participating in the conduct of the affairs of Respondents.

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

20 SO ORDERED this 22nd day of July, 2013.

21 Lauren W. Kingry
22 Superintendent of Financial Institutions
23 By 
24 Robert D. Charlton
25 Assistant Superintendent of Financial Institutions

26 **CONSENT TO ENTRY OF ORDER**

1. Respondents acknowledge that they have been served with a copy of the foregoing

1 Findings of Fact, Conclusions of Law, and Order in the above-referenced matter, have read the
2 same, are aware of their right to an administrative hearing in this matter, and have waived the same.

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

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

7 4. Respondents agree to immediately cease from engaging in the violative conduct set
8 forth in the Findings of Fact and Conclusions of Law.

9 5. Respondents acknowledge that the acceptance of this Agreement by the
10 Superintendent is solely to settle this matter and does not preclude this Department, any other agency
11 or officer of this state or subdivision thereof from instituting other proceedings as may be
12 appropriate now or in the future.

13 6. Patti Bowler, on behalf of LMT Pro Services, LLC and herself, represents that she is
14 the Managing Member and that, as such, has been authorized by LMT Pro Services, LLC, to consent
15 to the entry of this Order on its behalf.

16 7. Kevin Adam Petersen, on behalf of LMT Pro Services, LLC and himself, represents
17 that he is the Managing Member and that, as such, has been authorized by LMT Pro Services, LLC,
18 to consent to the entry of this Order on its behalf.

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

21 DATED this 19 day of August, 2013.

22
23 By: Patti Bowler
Patti Bowler, Managing Member
LMT Pro Services, LLC

24
25 By: _____
Kevin Adam Petersen, Managing Member
LMT Pro Services, LLC

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2 same, are aware of their right to an administrative hearing in this matter, and have waived the same.

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4 the foregoing Findings of Fact, Conclusions of Law, and Order.

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


13 6. Patti Bowler, on behalf of LMT Pro Services, LLC and herself, represents that she is
14 the Managing Member and that, as such, has been authorized by LMT Pro Services, LLC, to consent
15 to the entry of this Order on its behalf.

16 7. Kevin Adam Petersen, on behalf of LMT Pro Services, LLC and himself, represents
17 that he is the Managing Member and that, as such, has been authorized by LMT Pro Services, LLC,
18 to consent to the entry of this Order on its behalf.

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

21 DATED this 19 day of August, 2013.

22
23 By: _____
Patti Bowler, Managing Member
LMT Pro Services, LLC

24
25 By:  _____
Kevin Adam Petersen, Managing Member
LMT Pro Services, LLC
26

1 ORIGINAL of the foregoing filed this 22nd
2 day of July, 2013, in the office of:

3 Lauren W. Kingry, Superintendent of Financial Institutions
4 Arizona Department of Financial Institutions
5 ATTN: June Beckwith
6 2910 N. 44th Street, Suite 310
7 Phoenix, AZ 85018

8 COPY mailed/delivered same date to:

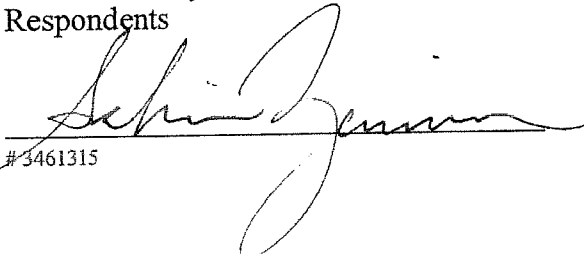
9 Natalia A. Garrett, Assistant Attorney General
10 Office of the Attorney General
11 1275 West Washington
12 Phoenix, AZ 85007

13 Robert D. Charlton, Assistant Superintendent
14 Renee Jenkins, Examiner-in-Charge
15 Arizona Department of Financial Institutions
16 2910 N. 44th Street, Suite 310
17 Phoenix, AZ 85018

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

20 Patti Bowler, Managing Member
21 LMT Pro Services, LLC
22 8194 W. Deer Valley Road, Suite 248
23 Peoria, AZ 85382
24 Respondent and Statutory Agent for
25 Respondent Company

26 Kevin Adam Petersen, Managing Member
LMT Pro Services, LLC
39321 N. Patricia Cir.
San Tan Valley, AZ 85140
Respondents


#3461315