

**The State of Alabama
State Banking Department**

IN THE MATTER OF)
)
M & L MORTGAGE COMPANY) CASE # MB-2006-27

ORDER REVOKING MORTGAGE BROKER LICENSE

On December 4, 2006, the Undersigned notified this licensee of his intent to revoke its 2006 mortgage broker license. The notice stated the information that had come into the hands of the Bureau that justified a revocation and alerted it or its right to an administrative hearing, if requested in writing within 20 days. The licensee did request such a hearing which was scheduled for February 13, 2007.

The hearing was held as scheduled. Mrs. Mary Gilyard, owner of the licensee, and her counsel, Mrs. Minnie Tunstill appeared on behalf of the licensee. Mr. Anderson appeared for as counsel for the Bureau. Jeremy Windham and Arlene Baldwin testified on behalf of the Bureau. No witnesses or exhibits were offered on behalf of the licensee.

The evidence was clear, convincing, and uncontroverted that Mrs. Gilyard, who owns and operates the licensee, has not conducted its business as required by the Mortgage Broker Licensing Act.

It is clear that Mrs. Gilyard had a license from the Alabama Real Estate Commission and that her real estate license was revoked by that agency. The law (§ 5-25-8(f)(2)) required her to report that disciplinary action to this Bureau within 15 days of the institution of the action. She never reported it at all.

The Bureau made an examination of the licensee's records at its Birmingham office on September 14, 2006, as a result of complaints that the Bureau had received from one or more appraisers whose fees had not been paid. The examiner was unable to locate many of the files named by the appraisers. M&L staff claimed that the missing records were delete at another location where they were being cleaned up or straightened out. Licensees are required to maintain all such records at the licensed location. Failure to do so is a violation of § 5-25-9(a).

Mr. Windham issued a letter to the licensee requesting that all of the missing files on hand for a re-examination by September 22nd. When the examiner returned on October 30th, he found that only a few of the missing records were on hand and that many actually had been destroyed. This was a violation of § 5-25-9(d) which requires a licensee to maintain all records for at least three years.

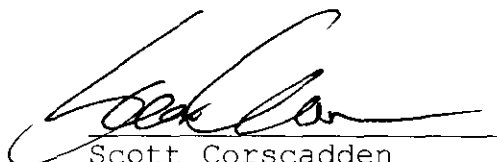
Among those files that were located were found closing statements showing disbursements to the appraisers who claimed that they were not really paid. Mrs. Gilyard did not present any proof showing that they were in fact paid. Failure to disburse funds in accordance with written commitments is a violation of § 5-25-12(b)(3).

Mrs. Gilyard had filed for a renewal of her mortgage broker license for 2007. When the Bureau advised her of its intention to deny the renewal application, she requested an administrative hearing on that issue. Subsequently, she withdrew her application and her renewal application fee was returned to her.

Based on the foregoing, it is ORDERED as follows:

1. That the mortgage broker license of M & L Mortgage Company for the calendar year 2006 is REVOKED.
2. That copies of this Order be furnished to M & L Mortgage Company and its counsel, Mrs. Tunstill by first class mail.

Issued at Montgomery, this 16th day of March, 2007.


Scott Corcadden
Supervisor
Bureau of Loans