

**BEFORE THE DEPARTMENT OF BANKING AND CONSUMER FINANCE
STATE OF MISSISSIPPI**

**DEPARTMENT OF BANKING AND CONSUMER FINANCE
STATE OF MISSISSIPPI**

COMPLAINANT

VS.

Cause No. 2006-0001

**MID-SOUTH MORTGAGE & INVESTMENTS, INC d/b/a
FREEDOM LENDING**

RESPONDENT

CONSENT ORDER

This cause, having come before the Department of Banking and Consumer Finance (DBCF) on May 10, 2006, at the Woolfolk Building in Jackson, Mississippi, and the Department, acting through its authorized representative, the Commissioner of Banking and Consumer Finance, does hereby find and order as follows:

That the DBCF is charged by law with the responsibility to license and regulate mortgage companies in the State of Mississippi pursuant to its authority under Title 81, Chapter 18 of the Mississippi Code of 1972, as amended, and pursuant to that authority has full, complete and proper jurisdiction over the parties and subject matter of this cause.

That the licensee, Mid-South Mortgage & Investments, Inc d/b/a Freedom Lending, was served with an order to cease and desist by the Department on April 26, 2006, in the manner prescribed by law and did waive their right for a hearing before the Commissioner on May 9, 2006. That the Respondent and licensee, David Hand, is represented by his attorney, William Ready, Jr., Esq. That the cease and desist charged Mid-South Mortgage & Investments, Inc d/b/a Freedom Lending with violation of Section 81-18-27(1)(b),(f) & (g) of the Mississippi Code of 1972, as amended. Specifically, it is alleged that Mid-South Mortgage & Investments, Inc d/b/a Freedom Lending executed

two (2) different and conflicting HUD Settlement Statements and Sales Contracts on at least six (6) mortgage loan transactions involving the following borrowers, Tahria Creagh, Marvin Horn, Mary L. Thomas, Annie and Kenneth Williams, Roderick Portis, and Tammie L. Pack, and that Mid-South Mortgage and Investments, Inc d/b/a Freedom Lending directed the destruction and concealment of certain records and files to cover-up the fraudulent and improper actions involving the multiple HUD Settlement Statements and Sales Contracts.

That David Hand, through counsel, acknowledged his right to written notice of the Department's intention to enter an order suspending or revoking his mortgage license pursuant to Miss. Code Ann. § 81-18-37(2) and, by execution of this Order, acknowledged that he waived his right to said written notice and a formal hearing with regard to the allegations stated above, to-wit: that Mid-South Mortgage & Investments, Inc d/b/a Freedom Lending executed two (2) different and conflicting HUD Settlement Statements and Sales Contracts on at least six (6) mortgage loan transactions and that Mid-South Mortgage and Investments, Inc d/b/a Freedom Lending directed the destruction and concealment of certain records and files to cover-up the fraudulent and improper actions involving the multiple HUD Settlement Statements and Sales Contracts, and, further, acknowledged his desire to resolve this matter without the necessity of a formal hearing, and the Department, being amenable to the same, reached an agreement with the Respondent/Licensee the terms of which are adequate and sufficient for the resolution of the matter;

That Mid-South Mortgage & Investments, Inc d/b/a Freedom Lending neither admits nor denies the allegations contained in the complaint, but in order to resolve the same agrees to the following terms and conditions, to-wit:

The mortgage company license number 497/2005 of Mid-South Mortgage and Investments, Inc d/b/a Freedom Lending, should be and hereby suspended for a period of three (3) years effective June 19, 2006 or execution date of this order, whichever is sooner.

That Mid-South Mortgage & Investments, Inc d/b/a Freedom Lending will provide in writing to DBCF by Monday, May 22, a list of all mortgage loans in process as of May 10, 2006. Mid-South Mortgage & Investments, Inc d/b/a Freedom Lending shall be allowed to complete the processing of said loans, but is prohibited from originating any new mortgage loan transactions after June 19, 2006 or execution date of this order, whichever is sooner.

That any claims that Mid-South Mortgage & Investments, Inc d/b/a Freedom Lending may have, including but not limited to any claims alleged to have arisen under 42 U.S.C. 1983, arising out of the investigation or prosecution of this cause against the Department of Banking and Consumer Finance, its agents, employees or assigns are resolved by this Order and the aforementioned prospective defendants, in both their official and individual capacities, are released from any liability thereon and Respondent/Licensee has acknowledged and agreed not to file or institute any litigation in any court against the Department of Banking and Consumer Finance, its agents, employees or assigns arising out of the investigation or prosecution of this cause.

Further, Respondent Mid-South Mortgage & Investments, Inc d/b/a Freedom Lending has agreed to and should be and is hereby assessed a civil money penalty in the amount of Ten Thousand Dollars (\$10,000.00), said civil penalty and cost to be paid within thirty (30) days of execution of this Order or July 19, 2006, whichever is sooner.

Further, Respondent Mid-South Mortgage & Investments, Inc d/b/a Freedom Lending has an outstanding civil money penalty in the amount of Three Hundred Fifty Dollars (\$350.00) issued by the Department on April 14, 2006 due to Complaint #CLMB05-69 from Demetria Portis for violation of Section 81-18-27(j) of the Mississippi Code of 1972, as amended, for the collection of up-front fees, which is hereby ordered to be paid by Respondent to the Department by no later than June 10, 2006. Also, from this same complaint, Respondent is hereby ordered to refund One Thousand One Hundred Dollars (\$1,100.00) of up-front fees charged and collected by the Respondent to Demetria Portis for violation of Section 81-18-27(j) of the Mississippi Code of 1972, as amended., which is hereby ordered to be refunded and paid by Respondent by no later than June 10, 2006.

Respondent waives all rights to appeal this Consent Order and also understands and agrees that this Consent Order and the terms hereof shall be final.

SO ORDERED, this the 20th day of June, 2006.

**JOHN S. ALLISON, Commissioner
Department of Banking and Consumer Finance**

AGREED AS TO FORM AND CONTENT:

DAVID HAND, Respondent / Licensee

William Ready, Jr., Esq.
Attorney for Mid-South Mortgage & Investments, Inc d/b/a Freedom Lending