

1 ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

2 In the Matter of the Removal and Prohibition of:

No. 15F-BD018-BNK

3 **JERRY EDWARD CRAIG, SR.**

CONSENT ORDER

4 18027 E. Carmen Drive
5 Surprise, Arizona 85388

6 Respondent.

7 On May 18, 2015, the Arizona Department of Financial Institutions (“Department”) issued a
8 Notice of Hearing alleging that Respondent had violated Arizona law. Wishing to resolve this
9 matter in lieu of an administrative hearing, Respondent does not contest the following Findings of
10 Fact and Conclusions of Law, and consents to entry of the following Order.

11 FINDINGS OF FACT

12 1. Respondent Jerry Edward Craig, Sr. (“Jerry Craig, Sr.”) was the Owner, President
13 and Responsible Individual of Spectrum Financial Group, Inc. (“Spectrum Financial”), an Arizona
14 corporation during the time Spectrum Financial was licensed by the Department as a Mortgage
15 Broker, License No. MB-0018913, from July 2, 1997 until the license closed on May 8, 2002.

16 2. Jerry Craig, Sr. was the Owner, Chairman, CEO and Responsible Individual of
17 Spectrum Financial during the time Spectrum Financial was licensed by the Department as a
18 Mortgage Banker, License No. BK-0904796 from May 2, 2002 until the license expired on May 2,
19 2008, due to non-renewal.

20 3. In August 2007, Spectrum Financial filed Chapter 11 Bankruptcy in U.S. Bankruptcy
21 Court, District of Arizona, Case Number 2:07-bk-04265-SSC. The case was converted to Chapter 7
22 in October 2007. The case was terminated in January 2010.

23 4. On November 7, 2008, Spectrum Financial was administratively dissolved by the
24 Arizona Corporation Commission (“ACC”), for failure to file its annual report due on May 30, 2008.
25 ACC records show Spectrum Financial’s address is listed as undeliverable, and Spectrum Financial
26 failed to file its annual reports due May 30, 2008 through May 30, 2013.

1 5. On March 2, 2010, Jerry Craig, Sr. was issued a Loan Originator License, No.
2 0911547, Nationwide Mortgage Licensing System & Registry (“NMLS”) ID No. 209097. Jerry
3 Craig, Sr.’s Loan Originator License is currently inactive, and NMLS records show Jerry Craig, Sr.
4 is not authorized to engage in the conduct of a loan originator in Arizona.

5 6. On September 15, 2011, an Indictment (the “Indictment”) was filed against Jerry
6 Craig, Sr. in the United States District Court for the District of Arizona, in *United States of America*
7 *v. Jerry Edward Craig, Sr. and Jerry Edward Craig, Jr.*, No. CR-11-1819-PHX-ROS.

8 7. On February 25, 2013, an Information was filed, charging Jerry Craig, Sr. with
9 Count 1, Conspiracy to Commit Wire Fraud, in violation of 18 U.S.C. §§ 371 and 1343. The
10 Information stated that Jerry Craig, Sr. and others committed wire fraud by making material false
11 representations to First Fidelity Bank to induce First Fidelity Bank to wire money funds, interstate,
12 to or on behalf of Spectrum Financial.

13 8. On February 25, 2013, a Plea Agreement was lodged with the Court, wherein Jerry
14 Craig, Sr. entered a plea of guilty to Count I, Conspiracy to Commit Wire Fraud, in violation of 18
15 U.S.C. §§ 371 and 1343, a Class D Felony Offense. The Plea Agreement was entered by the Court
16 on May 13, 2013.

17 9. The Plea Agreement specifies that the Conspiracy to Commit Wire Fraud was
18 perpetrated “[b]eginning sometime in 2006, and continuing until at least June, 2007, in the District
19 of Arizona and elsewhere.” Spectrum Financial was licensed as a Mortgage Banker during the time
20 of the criminal conduct, and Jerry Craig, Sr. served as Spectrum Financial’s Owner, Chairman, CEO
21 and Responsible Individual during that time.

22 10. On May 14, 2013, Judgment in a Criminal Case was entered in *United States of*
23 *America v. Jerry Edward Craig, Sr. and Jerry Edward Craig, Jr.*, No. CR-11-1819-PHX-ROS,
24 finding Jerry Edward Craig, Sr. guilty of one (1) Count of Conspiracy to Commit Wire Fraud, a
25 Class D. Felony Offence, in violation of 18, U.S.C. § 371. The Court rendered its sentence,
26 committing Jerry Craig, Sr. to the custody of the Bureau of Prisons for a term of twelve (12) months

1 and one (1) day, followed by supervised release for a term of three (3) years. The Court ordered
2 Jerry Craig, Sr. to pay a special assessment of one hundred dollars (\$100.00); restitution to victim
3 first Fidelity Bank in the amount of \$2,408,942.00, jointly and severally with Defendant Jerry Craig,
4 Jr., until full restitution is paid; and to pay \$2,409,042.00 in criminal monetary penalties.

5 CONCLUSIONS OF LAW

6 1. Pursuant to Title 6, Chapter 2, of the Arizona Revised Statutes, the Superintendent
7 has the authority and duty to regulate all persons engaged in the banking business and with the
8 enforcement of statutes, rules, and regulations relating to banks.

9 2. Jerry Edward Craig, Sr.'s conduct, as set forth above, constitutes acts, omissions, and
10 practices that demonstrate personal dishonesty and unfitness to continue in office or to participate in
11 the conduct of the affairs of any financial institution or enterprise and is grounds for removal and the
12 prohibition of Jerry Edward Craig, Sr. from participating in any manner in the conduct of the affairs
13 of any financial institution or enterprise within the meaning of A.R.S. § 6-161(A)(1).

14 3. Jerry Edward Craig, Sr.'s May 14, 2013, conviction of one (1) count of Conspiracy to
15 Commit Wire Fraud in violation of Title 18, United States Code, Section 371, a Class D Felony
16 offense, constitutes grounds for the removal and the prohibition of Jerry Edward Craig, Sr. from
17 participating in any manner in the conduct of the affairs of any financial institution or enterprise,
18 pursuant to A.R.S. § 6-161(A)(4).

19 4. The violations, set forth above, constitute grounds for the Superintendent to order the
20 removal and the prohibition of Jerry Edward Craig, Sr. from further participation in any manner as a
21 director, officer, employee, agent, or other person in the conduct of the affair of any financial
22 institution or enterprise pursuant to A.R.S. § 6-161.

23 ORDER

24 1. Jerry Edward Craig, Sr. shall be prohibited from further participation in any manner
25 in the conduct of the affairs of any financial institution or enterprise, pursuant to A.R.S. § 6-161.

26 2. This Order shall become effective upon service, and shall remain effective and

1 enforceable until such time as, and except to the extent that, it shall be stayed, modified, terminated,
2 or set aside.

3 SO ORDERED this 30 day of June, 2015.

4
5 
6 Lauren W. Kingry
7 Superintendent of Financial Institutions

8 **CONSENT TO ENTRY OF ORDER**

9 1. Respondent acknowledges that he has been served with a copy of the foregoing
10 Findings of Fact, Conclusions of Law and Order in the above-referenced matter, has read the same,
11 is aware of his right to an administrative hearing in this matter, and has waived the same.

12 2. Respondent admits the jurisdiction of the Superintendent and consents to the entry of
13 the Foregoing Findings of Fact, Conclusions of Law and Order.

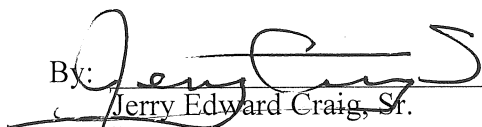
14 3. Respondent states that no promise of any kind or nature has been made to induce him
15 to consent to the entry of this Order, and that he has done so voluntarily.

16 4. Respondent agrees to refrain from seeking any future employment with any financial
17 institution or enterprise.

18 5. Respondent acknowledges that the acceptance of this Agreement by the
19 Superintendent is solely to settle this matter and does not preclude the Department, any other agency
20 or officer of this state or subdivision thereof from instituting other proceedings as may be
21 appropriate now or in the future.

22 6. Respondent waives all rights to seek judicial review or otherwise to challenge or
23 contest the validity of this Consent Order.

24 DATED this 27 day of June, 2015.

25 By: 
26 Jerry Edward Craig, Sr.
Respondent

1 ORIGINAL of the foregoing filed this 1st
2 day of July, 2015, in the office of:

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

9 COPY mailed/delivered same date to:

10 Diane Mihalsky, Administrative Law Judge
11 Office of Administrative Hearings
12 1400 West Washington, Suite 101
13 Phoenix, AZ 85007

14 Liane C. Kido, Assistant Attorney General
15 Office of the Attorney General
16 1275 West Washington
17 Phoenix, AZ 85007

18 Robert D. Charlton, Assistant Superintendent
19 Dawn Wismer, Senior Examiner
20 Arizona Department of Financial Institutions
21 2910 N. 44th Street, Suite 310
22 Phoenix, AZ 85018

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

25 Jerry Edward Craig, Sr.
26 18027 E. Carmen Drive
Surprise, Arizona 85388
Respondent

27 
28 _____
29 4511736