

STATE OF ILLINOIS
OFFICE OF BANKS AND REAL ESTATE
BUREAU OF RESIDENTIAL FINANCE

IN THE MATTER OF)
)
5 STAR FINANCIAL, INC.)
324 Alana Drive)
New Lenox, Illinois 60451)

No. 2004-BRF-15-b

CONSENT ORDER

The Office of Banks and Real Estate (“OBRE”) and S Star Financial, Inc. (“5 Star”) hereby enter into this Consent Order (the “Consent Order”) and stipulate, admit and agree to the following:

STIPULATIONS AND ADMISSIONS

On March 14, 2004 pursuant to OBRE Enforcement Order No. 2004-BRF-15, OBRE suspended license No. MB.0006255 and assessed 5 Star a \$2,500 fine for failure to submit a current \$20,000 surety bond or continuation certificate to OBRE in a timely manner and further assessed 5 Star a \$3,750 penalty fee for failure to submit a timely license renewal package to OBRE. On March 14, 2004, OBRE further advised 5 Star that a review of licensee loan files indicated various disclosure documents (i. e., loan brokerage agreement, loan brokerage disclosure, borrower information document) as required under Section 1050.1175(b) of the rules promulgated under the Residential Mortgage License Act of 1987 (hereinafter the “Rules” or the “Act,” respectively) were not maintained during the 2002 and 2003. OBRE advised 5 Star at that time that an additional \$500 fine would be recommended for this violation. 5 Star hereby (i) admits that it violated Rules Section 1050.1175(b), (ii) admits to committing the violations cited in OBRE Enforcement Order No. 2004-BRF-15, and (iii) agrees to pay the assessed fine

and penalty fees to OBRE subject to the following payment terms and conditions:

TERMS AND CONDITIONS

WHEREFORE, OBRE and 5 Star agree as follows:

- I. OBRE assesses 5 Star a \$500 fine pursuant to Section 45(h)(5) and (i)(12) of the Act for violation of Rules Section 1050.1175(b) and 5 Star agrees to waive its right to appeal this fine pursuant to Section 4-12 of the Act and Section 1050.15 10 et seq. of the Rules.
- II. OBRE and 5 Star agree that 5 Star has provided the Commissioner with documentation of a current surety bond or continuation certificate and that said coverage was in full force and effect at all times while holding license No. MB.0006255.
- III. OBRE rescinds the suspension of license No. MB.0006255 and the \$2,500 fine under OBRE Enforcement Order No. 2004-BRF-15 for not having a current surety bond or continuation certificate, but OBRE assesses an \$1,850 penalty fee for late submission by 5 Star of the proof of surety bond coverage to OBRE and 5 Star agrees to waive its right to appeal this penalty fee pursuant to Section 4-12 of the Act and Section 1050.1510 et seq. of the Rules.
- IV. 5 Star agrees to pay the \$3,750 penalty fee assessed under OBRE Enforcement Order No. 2004-BRF-15 for late submission of its license renewal package to OBRE.
- V. 5 Star agrees to pay OBRE a total of \$6,100 for the fine and penalty fees as provided in the Consent Order and OBRE Enforcement Order No. 2004-BRF-15. Payment shall be made in four monthly installments as follows: \$2,000 for the first month, \$1,400 each for the second and third months and \$1,300 for the fourth month. The first payment shall be due on or before April 16, 2004. The second payment shall be due on May 26, 2004. The third payment shall be due on June 25, 2004. The fourth payment shall be due on July 26, 2004, provided that the fourth

monthly payment shall be made so that the full \$6,100 is paid to OBRE on or before July 26, 2004 (prior to 5 Star's renewal of License No. MB.0006255).

- VI. 5 Star is fully responsible for complying with the payment schedule outlined in the Consent Order. Upon 5 Star submitting any payment that is received by OBRE more than 15 days after the date required by Section V above, then (i) the sum total of the remaining installments shall be immediately due and payable to OBRE and (ii) OBRE shall suspend 5 Star's license until such time the Commissioner determines that 5 Star is able to operate in compliance with the Consent Order and Act.
- VII. The President/CEO of 5 Star has been advised of 5 Star's right to seek administrative review of OBRE's fine and penalty fees and, after a full review, evaluation and consideration of the Consent Order, the President/CEO of 5 Star, willingly enters into the Consent Order. OBRE enters into the Consent Order for the purpose of imposing measures that are fair and equitable in the circumstances and that are consistent with the best interests of the people of the State of Illinois.
- VIII. The Consent Order shall become effective on the date that it is approved by the Assistant Commissioner for the Bureau of Residential Finance of OBRE.

The foregoing Consent Order is approved in full.

Brian Bockholdt
President/CEO
5 Star Financial, Inc.

date: 3-31-04

State of Illinois
Office of Banks and Real Estate

By _____ date: 3-31-04

Scott D. Clarke
Assistant Commissioner
Bureau of Residential Finance

You are hereby notified that this Order is an administrative decision. Pursuant to 205 ILCS 635/4-12 and 38 Ill. Adm. Code 1050.1510 *et seq.* any party may file a request for a hearing on an administrative decision. The request for a hearing shall be filed within 10 days after the receipt of an administrative decision. A hearing shall be held within thirty (30) days after the receipt by the Commissioner of Banks and Real Estate of a request for a hearing. Absent a request for a hearing, this Order shall constitute a final administrative order subject to the Administrative Review Law [73S ILCS 5/3-101 *et seq.*].