

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DIVISION OF BANKING

IN THE MATTER OF:)

North Shore Funding Corporation)
License No. MB.0006664)
ATTN: Colleen R. Sullivan)
100 S. York Road, #232)
Elmhurst, IL 60126)

2005-MBR-47

CONSENT ORDER

The Department of Financial and Professional Regulation, Division of Banking, of the State of Illinois (hereinafter referred to as the “Department”) and North Shore Funding Corporation (hereinafter referred to as “North Shore”) hereby enter into this Consent Order (hereinafter referred to as the “Consent Order”) and stipulate, admit and agree to the following:

STIPULATIONS AND ADMISSIONS

North Shore admits and agrees that it did not apply to the Department for an additional full service office license for its office at 215 S. Main St., Algonquin, Illinois 60102 (hereinafter referred to as the “Office”). North Shore further admits that such a license was required for North Shore and the Office to be in compliance with the Residential Mortgage License Act of 1987 (hereinafter referred to as the Act”) [205 ILCS 635]. North Shore and the Department stipulate that any applications taken at or through personnel of the Office were processed properly at North Shore’s licensed corporate location at 100 S. York Road, #232, Elmhurst, Illinois 60126. North Shore entered into employment contracts with each of four (4) individuals for loan origination services. North Shore then, upon the requests of these individuals, directed compensation due under the contracts to corporations (hereinafter referred to as the “Corporations”) owned or controlled by such individuals. North Shore and the Department stipulate that

none of the Corporations held an Illinois residential mortgage license or exemption under Section 1-4 of the Act at the time compensation was so directed. North Shore further admits that it failed to maintain net worth at all times during calendar years 2003 and 2004 as required under Section 3-5 of the Act, but North Shore and the Department stipulate that North Shore currently exceeds the minimum \$50,000 of net worth for mortgage brokers under the Act.

TERMS AND CONDITIONS

WHEREFORE, the Department and North Shore agree as follows:

- I. Department agrees to renew North Shore's license number MB.0006664 upon approval of the Consent Order and verification of ownership documents.
- II. Department imposes on North Shore pursuant to the Consent Order a \$10,000 fine pursuant to Section 4-5(h)(5) of the Act for operating an unlicensed additional full service office at 215 S. Main St., Algonquin, Illinois 60102 (the "Office"). North Shore agrees to not conduct licensable mortgage activities out of the Office. North Shore agrees to apply for additional full service office license(s) in the event it desires to conduct licensable activities outside its licensed corporate location at 100 S. York Road, #232, Elmhurst, Illinois 60126.
- III. North Shore shall not compensate or pay the Corporations or any other entity not licensed or exempt under the Act for providing loan originator services. North Shore further agrees to compensate only natural persons currently registered as loan originators with the Department and properly employed by North Shore for loan originator services as required by the Act.
- IV. Department will examine North Shore for compliance with licensing of additional full service offices, minimum net worth, and loan originator registration and compensation as required by the Act, and general compliance with requirements of the Act once each

month for a period of three consecutive months beginning in approximately February 2006. The first examination will be a full review and subsequent examinations, if warranted, will be file reviews.

- V. North Shore agrees to provide to the Department within thirty (30) days of the effective date of this Order: an account summary for all payments made to the Corporations for loan originator services; copies of all checks/payments made to the Corporations that correspond to the account summary, and a summary loan log for all loans paid to Corporations. North Shore agrees to assist the Department in any investigations such payments to the Corporations or any matters identified in its examination of North Shore.
- VI. North Shore agrees to pay the fine in Section II above within thirty (30) days of final approval of the Consent Order. In addition, North Shore agrees to promptly pay examination fees invoiced from examinations in Section IV above.
- VII. North Shore agrees to not file any petition or other appeal of the Consent Order. North Shore acknowledges that it has been represented by legal counsel in negotiating the Consent Order, and that it willingly enters into the Consent Order, upon advice of counsel, and after full review, evaluation, and consideration and with full knowledge of its rights under the RMLA and Illinois Administrative Procedure Act.
- VIII. The Department 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.
- IX. The Consent Order shall become effective upon all the parties hereinafter designated signing and dating the Consent Order and on the date that the designated representative for the Department last signs and dates the Consent Order.

The foregoing Consent Order is approved in full.

By _____ date: _____

Colleen R. Sullivan, owner
North Shore Funding Corporation

By _____ date: _____

Mick Sullivan
North Shore Funding Corporation

By _____ date: _____

Otto C. Stephani, Jr.
Attorney at Law
Counsel for North Shore Mortgage Corporation

Department of Financial and Professional Regulation,
Division of Banking,
Of the State of Illinois
Dean Martinez, Acting Secretary
D. Lorenzo Padron, Director

By _____ date: November 15, 2005

Reynold M. Benjamin
Acting Assistant Director
Division of Banking, Bureau of Residential Finance

