

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

IN THE MATTER OF: )  
)  
) No. 2009-MBR-19  
**DAUBACH FINANCIAL SERVICES, LTD** )  
License No. MB.6759882 )  
Attention: William Daubach )  
4423 West Fullerton Ave. )  
Chicago, IL 60639 )

**ORDER REVOKING LICENSE**

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (the “Department”), having examined Daubach Financial Services, LTD, (the “Licensee”) and documented violations of the Residential Mortgage License Act of 1987 (the “Act”) [205 ILCS 635] and the rules promulgated under the Act (the “Rules”) [38 Ill. Adm. Code 1050], hereby issues this ORDER pursuant to the authority provided under Section 4-5(h) (1) of the Act. The Department makes the following:

**FINDINGS**

1. That Daubach Financial Services, LTD is an Illinois residential mortgage licensee holding license number MB.6759882 (the “License”) and located at 4432 West Fullerton Ave., Chicago, Illinois 60639;
2. That on December 14, 2007, the Department concluded an examination of Licensee for the exam period 11/08/2005 to 10/31/2007 and the examiner found several violations by the Licensee of the Act and Rules as subsequently cited in the Report of Examination (the “ROE”) as follows:
  - a. Full Service Office – Licensee failed to provide facilities which represented good business practice (violation of Sections 1-4(d) & 3-4 of the Act and Section 1050.340 of the Rules)
  - b. Annual Audit – Licensee failed to submit an annual audit to the Department each of the examination period years nor did Licensee request an extension for the filing of financial statements for year ending 2005 (violation of Section 3-2 of the Act);
  - c. Net Worth Requirement – Licensee submitted its Financial Statements for the year ended December 31, 2006 which included fixed assets which were not on site rendering the assets unverifiable (violation of Section 3-5 of the Act and Section 1050.410 of the Rules);

- d. Registration – Licensee’s employee, Mr. Scott Goldstein, acted as a loan originator even though he was not a registered loan originator (violation of Sections 2-4(z), 7-1 of the Act and Section 1050.2220 of the Rules);
  - e. Maintenance of Records. Loan Log – Licensee failed to provide a loan log in conformity with the Rules by excluding the following information: property purchaser names, property seller names, property address, loan amount, terms (ARP), loan originator’s full name and registration number, loan processor name and registration number, and appraisal name and license number, corporate of full service office and license number where application was taken, the amount of points and fees charged, and a statement whether the loan application was cancelled, rejected or closed or pending (violation of Section 1050.1175(a) of the Rules);
  - f. Loan Brokerage Agreements – Licensee failed to provide evidence that the Loan Brokerage Agreement was signed prior to an application, that seven (7) loan files did not contain evidence that Licensee provided the Loan Brokerage Agreement to those customers, and Licensee failed to use a Loan Brokerage Agreement that includes the loan originator registration number (violation of Section 1050.1010 of the Rules);
  - g. Loan Brokerage Disclosure Statement – Licensee failed to provide evidence of an executed copy of the Brokerage Disclosure Statement in eight (8) loan files (violation of Section 1050.1020 of the Rules);
  - h. Borrower Information Document – Licensee failed to provide evidence of an executed copy of the Borrower Information Document in two (2) loan files (violation of Section 1050.1110 of the Rules);
  - i. Changes Affecting Loans in Process – Licensee failed to provide a Change in Terms Notification when the rate and/or loan amount changed between the initial application and closing in five (5) loan files (violation of Section 1050.1230 of the Rules);
  - j. Approval Notice – Licensee failed to provide approval/commitment letters disclosing all of the loan terms in eight (8) loan files (violation of Section 1050.1305 of the Rules);
  - k. Loan Application Procedures, Regulation Z, & Truth in Lending – Licensee failed to provide the Truth in Lending document showing the correct repayment schedule in two (2) loan files (violation of Section 1050.1140 of the Rules, Regulation Z, and Section 226.18 of Truth in Lending) ;
3. That on November 5, 2008, the Department’s Examination Section mailed the ROE to the Licensee with U.S. first class postage with a due date of 10 days for the Licensee to submit its written response to the examination findings back to the Department;
  4. That Licensee failed to submit a timely response by the due date and that the Examination Section referred the matter to the Legal Section for enforcement action;
  5. That on December 16, 2008, the Legal Section mailed a Potential Discipline Letter to Licensee with a due date of 7 days for the Licensee to submit any pertinent facts and circumstances before the Department takes a disciplinary action; and
  6. That Licensee failed to submit a timely response to the Potential Discipline Letter to Legal Section by the due date.

**CONCLUSIONS**

BASED UPON THE ABOVE FINDINGS, THE DEPARTMENT IS OF THE OPINION AND CONCLUDES:

That notwithstanding notices and other efforts by the Department, Licensee is in violation of Sections 1-4(d), 2-4(z), 3-2, 3-4, 3-5, and 7-1 of the Act and Sections 1050.340, 1050.1010, 1050.1020, 1050.1110, 1050.1140, 1050.1175, 1050.1230, 1050.1305, and 1050.2200 of the Rules; and is in further violation of Sections 4-5(i) (11) and (17) of the Act.

**ORDER**

NOW THEREFORE IT IS HEREBY ORDERED that the license of DAUBACH FINANCIAL SERVICES, LTD, License No. MB.6759882 is revoked by Order of the Department pursuant to Section 4-5(h) (1) of the Act for failure to comply with the provisions cited herein of the Act and Rules, effective ten days after receipt of this Order, unless you request a hearing pursuant to the Act and Subpart N of the Rules, including remitting the hearing fee required by Section 1050.210 of the Rules.

ORDERED THIS 23<sup>RD</sup> DAY OF JANUARY, 2009

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
MICHAEL T. MCRAITH, ACTING SECRETARY

DIVISION OF BANKING

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JORGE A. SOLIS, DIRECTOR

**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 and, if so requested, a hearing shall be held on the administrative decision, by the Department of Financial and Professional Regulation, Division of Banking. Absent a request for a hearing, this Order shall constitute a final administrative Order subject to the Administrative Review Law [735 ILCS 5/3-101 *et seq.*].**