

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF)	
)	
)	No. 2009-MBR-276
LAMB FINANCIAL, LLC D/B/A LAMB FINANCIAL)	
License No. MB.6760662)	
Attention: Michael Klein)	
6825 N. Lincoln Ave.)	
Lincolnwood, IL 60712)	

ORDER ASSESSING FINE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (the “Department”), having investigated the activities of Lamb Financial, LLC d/b/a Lamb Financial (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)(5) of the Act. The Department makes the following:

FINDINGS

1. That Lamb Financial, LLC d/b/a Lamb Financial is an Illinois residential mortgage licensee holding license number MB.6760662 (the “License”) and located at 6825 N. Lincoln Ave., Lincolnwood, Illinois 60712;
2. That on May 1, 2009, the Department received an anonymous complaint (the “Complaint”) alleging that Lamb Financial Corporation had engaged in advertising practices in violation of the Act and Rules, and providing as evidence copies of ads on two different days appearing in the Naperville Sun newspaper as well as an ad appearing in the Chicago Tribune and a copy of a webpage from a company identified as Airoom (www.airoom.com);
3. That the Complaint specifically alleged failure to advertise APR, no address for licensee, no license number, and no Illinois residential mortgage Licensee language;
4. That the Department opened an investigation (of Lamb Financial Corporation, and adding Licensee as respondent) into the Complaint and a review of the ads provided with the Complaint revealed that the ads were placed by Airoom Architects-Builders-Remodelers with showroom locations at 2764 Aurora Avenue, Naperville, Illinois and 6825 N. Lincoln Avenue, Lincolnwood, Illinois;

5. That the Department's review further found that the newspaper ads included the verbiage "Very special financing for a limited time! 30-year fixed mortgage rate of 4.75%*"; the asterisk was then referenced at the bottom of the ad page as "...Special financing is available only for projects financed under certain loan programs originated through Lamb Financial Corporation, an independent licensed mortgage broker..." and also cited "Through our affiliated mortgage company, Lamb Financial Corporation, we can arrange financing...";
6. That the Department's review found that the webpage ad contained the same verbiage as the newspaper ads (Item 4 above), with exception that the webpage ad reflected Lamb Financial, an Illinois Residential Mortgage Broker;
7. That on May 7, 2009, the assigned Department investigator (the "Investigator") reviewed the Department's licensing records for both Licensee and Lamb Financial Corporation including speaking with Licensing staff about company activities transferring business to Licensee;
8. That on May 12, 2009, the Investigator contacted Michael Klein ("Klein") in regards to the Complaint and received further information that Airoom Acquisitions Corp. owned Lamb Financial Corporation, but that that Airoom and Lamb Financial Corporation were separate businesses, that Lamb Financial Corporation was going to cease its operations and would continue under Lamb Financial, LLC; that the Investigator advised Klein of advertising violations and noted further violations in that David Fagan, branch manager (inoperative loan originator as of 4/21/2009), and Janie Jakaitis ("Jakaitis"), loan originator, did not have active loan originator registrations with the Department;
9. That on or around May 13, 2009, the Licensee contacted the Department regarding revisions to the ads to comply with the Act and Rules; however, Department activities to investigate and enforce the original violations and Complaint were continuing;
10. That on May 26, 2009, the Investigator spoke with Jakaitis and received copies of loan logs for Licensee and for Lamb Financial Corporation; Lamb Financial LLC's 2009 loan log consisted of three entries all of which were originated by Jakaitis and Jakaitis confirmed to the Investigator that she in fact originated the loans (Jakaitis had applied to the Department on 5/22/2009 for a new loan originator registration under Lamb Financial, LLC and her prior loan originator registration with Licensee as sponsor expired on 6/30/2008);
11. That the Investigator prepared a Report of Investigation (the "ROI") including the above findings and recommended that enforcement be taken against Licensee for advertising violations related to the Complaint and for loan originator registration violations;
12. That on July 21, 2009, an enforcement issue was created in the Legal Section and a review of the ROI shows evidence that Licensee has violated Sections 2-4(a) & (z), 3-3 (b) & (c), and 7-1 of the Act and Sections 1050.1350 and 1050.2125 of the Rules;
13. That on August 13, 2009, the Department's Legal Section mailed by U.S first class and certified postage a Potential Disciplinary Letter to the Licensee citing the aforementioned violations; and

14. That on August 25, 2009, the Department received a written response from Licensee and the Department has reviewed this response and determined that Licensee committed violations of the Act and Rules as cited herein.

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 2-4(a) & (z), 3-3 (b) & (c), and 7-1 of the Act and Sections 1050.1350 and 1050.2125 of the Rules, and is in further violation of Sections 4-5(i) (11) and (17) of the Act.

ORDER

NOW THEREFORE IT IS ORDERED:

1. That LAMB FINANCIAL, LLC D/B/A LAMB FINANCIAL, License No. MB.6760662, shall be and hereby is assessed a fine in the amount of \$3,000 for the violations cited herein;
2. The fine in the amount of \$3,000 shall be due thirty (30) days after the effective date of this Order upon LAMB FINANCIAL, LLC D/B/A LAMB FINANCIAL; and
3. The fine in the amount of \$3,000 shall be paid by means of a certified check or money order made payable to the:

**Department of Financial and Professional Regulation
Division of Banking
ATTN: MORTGAGE BANKING
320 West Washington, 6th Floor
Springfield, IL 62786**

ORDERED THIS 30TH DAY OF OCTOBER, 2009

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
BRENT E. ADAMS, SECRETARY

DIVISION OF BANKING

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.*].