

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF:

EXECUTIVE 1 FINANCIAL SERVICES

Attention: Julio Vargas
9456 W. Irving Park Road
Schiller Park, IL 60176

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No. 2011-MBR-CD11

ORDER TO CEASE AND DESIST & ASSESSING FINE

The Illinois Department of Financial and Professional Regulation, Division of Banking (“Department”) hereby issues to Executive 1 Financial Services this ORDER TO CEASE AND DESIST & ASSESSING FINE (“Order”). This Order is authorized by and issued pursuant to the provisions of Sections 1-3(d-1) & (e) and 4-1 (h-1) of the Residential Mortgage License Act of 1987 (“RLMA”) [205 ILCS 635] and the rules promulgated thereunder (“Rules”) [38 Ill. Adm. Code 1050].

FINDINGS OF FACT

The Department makes the following Findings of Fact:

1. That in March 2008 the Department fined Delta Mortgage Company (Illinois residential mortgage license number MB.0003009; “License”), under ownership of Julio Vargas (“Vargas”), for operating from a new location, unknown to the Department, at 9456 W. Irving Park Road, Schiller Park, Illinois 60176 (“Office”) as well as for cited examination and supervision violations. In October 2008, the Department revoked the License for failure to pay the fine, respond to Department requests, and correct the cited violations;
2. That in July 2010 the Department became aware through the Illinois Attorney General’s Office of several consumer complaints totaling a loss of \$72,000 in fees paid to Executive 1 Financial Services, and its principals Vargas and Janina Vargas, for failure to deliver promised foreclosure prevention services and/or mortgage and debt elimination services;
3. The Department opened an investigation compiling and obtaining consumer complaint information against Executive 1 Financial Services and Vargas for the aforementioned activities. Based upon the information gathered through this investigation, the Department found in its report that Vargas and his operatives had appeared to operate an unlawful or fraudulent enterprise from the Office over a period of several months with the intent to obtain control over consumers’ money and real estate properties without providing the promised services. It appeared that as part of Vargas’ business Executive 1 Financial Services had a purpose and/or was used to negotiate short sales and purchase such properties after the consumer homeowners had become delinquent on their mortgage payments through planned non-delivery of the promised services;

4. The Department closed its investigation finding, in part, that Executive 1 Financial Services had engaged in said activities, the subject of the consumer complaints and harm, in violation of the Act and Rules without obtaining as required an Illinois residential mortgage license and by falsely advertising on its website (www.e1investments.com) that it was licensed to provide said activities; and
5. That the Department has reasonable cause to believe that an unsafe, unsound, or unlawful practice has occurred, is occurring, or is about to occur as to Executive 1 Financial Services holding itself out and engaging in unlicensed activities with consumers in violation of the Act and Rules, and that Executive 1 Financial Services has committed a business offense.

CONCLUSIONS OF LAW

Based on the Findings of Fact, the Department makes the following Conclusions of Law:

Executive 1 Financial Services has violated licensing requirements and advertising prohibitions in Sections 1-3(a), (b), (d-1), & (e), 4-1(h-1) of the Act and Section 1050.910 of the Rules.

NOW THEREFORE IT IS HEREBY ORDERED:

Executive 1 Financial Services, by and through its owners, managers, officers, directors, employees, and agents, shall immediately cease and desist advertising and engaging in any activities requiring a license pursuant to the Act and Rules, and shall be assessed and pay a fine in the amount of \$25,000 within thirty (30) days from the effective date of this Order by certified check or money order payable to the Department at 320 W. Washington Street, Springfield, IL 62786.

ORDERED THIS 2ND DAY OF MAY, 2011

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

MANUEL FLORES, 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 and \$500 hearing fee (certified check/money order) shall be filed at 320 W. Washington Street, Springfield, IL 62786, within 10 days after the receipt of an administrative decision. The request for hearing must include an explicit admission, denial or appropriate response to each allegation or issue contained in the administrative decision pursuant to 38 Ill. Adm. Code 1050.1570. 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.*].