

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

IN THE MATTER OF )  
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**GRANITE MORTGAGE, INC.** ) No. 2012-MBR-18  
ATTN: Joel Gothelf )  
2359 N. Hazeltine Drive )  
Vernon Hills, IL 60061 )  
License No. MB.0005801 )

**ORDER ASSESSING FINE**

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, DIVISION OF BANKING (“Department”), having reviewed the activities of Granite Mortgage, Inc. (“Licensee”) and documented violations of the Residential Mortgage License Act of 1987 (“Act”) [205 ILCS 635] and the rules promulgated under the Act (“Rules”) [38 Ill. Adm. Code 1050], hereby issues this order for violations of the Act and Rules.

**STATUTORY PROVISIONS**

1. Section 2-4(z) of the Act states that a licensee will not knowingly hire or employ a loan originator who is not registered, as required under Section 7-1 of this Act.
2. Section 4-5(h)(5) of the Act provides that when the Director finds any person in violation of the grounds set forth in subsection (i), the Director may enter an order imposing a fine not to exceed \$25,000 for each count of separate offense.
3. Section 4-5(i)(11) of the Act provides that failure to comply with any order of the Director or rule made or issued under the provisions of this Act shall constitute grounds for disciplinary actions in Section 4-5(h) of the Act.
4. Section 1050.1140 of the Rules states that the loan application procedures shall comply with the Act as well as applicable Federal and State law and regulations.
5. Section 1050.1350 of the Rules states that the commitment and closing procedures of a licensee shall comply with applicable Federal and State statutes and regulations.
6. Section 1050.2125 of the Rules states no licensee shall employ a person or entity to perform the duties of a Loan Originator, except a person with a current Loan Originator (“LO”) Certificate of Registration.

### **FACTUAL FINDINGS**

7. The Department's Examination Section ("Examination Section") conducted a regular examination of the Licensee on July 6, 2011 and July 7, 2011, for the examination period starting August 1, 2008 and ending April 30, 2011. The Department found evidence of unregistered loan originator activities and other violations and referred the matter to the Department's Supervision Section for further review.
8. The Department's Supervision Section ("Supervision Section"), upon further review, found evidence that the Licensee, employed Joel Gothelf, its owner, as a LO while his Illinois ("LO") Certificate of Registration, (LO Registration No. 031.0006639) was inactive.
9. Supervision Section specifically found that Joel Gothelf took a total of 25 loan applications for Licensee without a valid LO Certificate of Registration between the expiration of the above-referenced LO Registration number on June 30, 2009 and the effective date of his new LO Certificate of Registration (LO Registration No. 031.0027713) on January 11, 2010.
10. Supervision Section on October 18, 2011, referred said violations to the Department's Legal Section.
11. The Department's Legal Section mailed to Licensee via U.S. first-class and certified mail service a Potential Disciplinary Letter citing the aforementioned violations on February 1, 2012.
12. On February 4, 2012, the Department received a signed receipt card evidencing receipt of such delivery was received by the Department.
13. The Department has determined that Licensee committed the aforementioned violations; however, Licensee's response and corrective actions are considered herein in mitigation of the fine.

### **LEGAL CONCLUSIONS**

14. That notwithstanding notices and other efforts by the Department, Licensee is in violation of Act Sections 2-4(z,) and 7-1 of the Act and Rules Section 1050.2125 and is in further violation of Sections 4-5(i) (11) and (17) of the Act.

### **NOW IT IS HEREBY ORDERED THAT:**

1. The Department assesses a **FINE** against Granite Mortgage, Inc., License No. MB.0005801 in the amount of **\$5,000** for violating the Act, Rules, pursuant to Section 4-5(h) (5) of the Act. The fine is payable by certified check or money order within thirty (30) days of the effective date of this order to the:

**Department of Financial and Professional Regulation  
Division of Banking  
ATTN: FISCAL DIVISION  
320 West Washington, 5<sup>th</sup> Floor  
Springfield, IL 62786**

ORDERED THIS 18<sup>TH</sup> DAY OF JULY, 2012

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

DIVISION OF BANKING

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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, 5<sup>th</sup> Floor, 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.].**