

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

IN THE MATTER OF:)
)
ILLINOIS FINANCIAL NETWORK, INC.) No. 2012-MBR-19
ATTN: Kathy Motyl)
7120 W. Higgins)
Chicago, IL 60656)
License No. MB.0006655)

ORDER REVOKING LICENSE & ASSESSING FINE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking, (“Department”), having reviewed the activities of Illinois Financial Network, Inc. (“Licensee”), pursuant to 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(u) of the Act provides as a condition of licensing that each licensee must aver that it will submit to periodic examination by the Department as required by this Act.
2. Section 4-1(j) of the Act authorizes the Department to examine the books and records of every licensee at intervals as specified in Section 4-2 of this Act.
3. Section 4-2(a) of the Act states that the business affairs of a licensee shall be examined for compliance with this Act as often as the Department deems necessary and proper.
4. Section 4-5(h)(1) of the Act provides that when the Director of the Division of Banking of the Department of Financial and Professional Regulation (“Director”) finds any person in violation of the grounds set forth in subsection (i), the Director may enter an order imposing the penalty of revocation of license.
5. 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 impose a fine not to exceed \$25,000 for each count of separate offense.
6. 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.

7. Section 4-5(i)(13) of the Act provides that failure to pay in a timely manner any fee, charge or fine under this Act shall constitute grounds for disciplinary actions in Section 4-5(h) of the Act.
8. Section 4-5(i)(14) of the Act provides that failure to maintain, preserve, and keep available for examination, all books, accounts or other documents required by the provisions of this Act and the Rules shall constitute grounds for disciplinary actions in Section 4-5(h) of the Act.
9. Section 4-5(i)(15) of the Act provides that refusing, obstructing, evading, or unreasonably delaying an investigation, information request, or examination authorized under this Act shall constitute grounds for disciplinary actions in Section 4-5(h) of the Act.
10. Section 4-5(i) (17) of the Act provides that failure to comply with or violation of any provision of this Act shall constitute grounds for disciplinary actions in Section 4-5(h) of the Act.
11. Section 4-7 of the Act provides additional authority for the Department to examine any licensee as often as necessary to carry out the purposes of the Act. Each licensee shall make available to the Department upon request the books and records relating to the operations of the licensee.
12. Section 1050.425 of the Rules requires each licensee to submit to regular examination per the frequency schedule provided therein.
13. Section 1050.475 of the Rules requires each licensee to provide at least 10 days advance written to the Department of any closing of a full service office or discontinuing brokering, originating or servicing under the Act.
14. Section 1050.480 of the Rules requires each licensee to provide a change of address form with the Department at least 10 days before the proposed effective date of such change.

FACTUAL FINDINGS

15. Commencing on or around December 1 2011, the Department attempted to schedule the regular examination of Illinois Financial Network as required pursuant to Section 1050.425 of the Rules. The Department was aware that Illinois Financial Network had an unpaid fine of \$4,500 due to a late audit report as assessed in Order 2011-MBR-31 on October 19, 2011 subsequently paid through surety bond claim. The Department was additionally aware that Illinois Financial Network had an open enforcement issue for non-submission of a loan servicer/loan modification report; this resulted in the Department issuing a second fine of \$500 pursuant to Order 2011-MBR-95 on December 9, 2011. The Department was additionally aware that Illinois Financial Network had never completed the supervision requirements for its prior regular examination, nor that the Department had ever been provided by Illinois Financial Network with proper notice or application for changes affecting its business and License.

16. The Department attempted unsuccessfully to contact Illinois Financial Network to schedule its required regular examination and on or around December 9, 2012, a Department investigator visited Illinois Financial Network's office at 7120 W. Higgins, Chicago, Illinois ("Office") in another attempt to schedule said regular examination. The Department investigator found that the Office was permanently closed with leasing signage posted.
17. The Department thereafter created an enforcement issue for Illinois Financial Network for failure to permit examination and that Illinois Financial Network has failed to pay the Department its assessed fines and provide required notices and applications.

LEGAL CONCLUSIONS

18. Illinois Financial Network violated Sections 2-4(u), 4-1(j), 4-2(a), 4-5(i)(11), (13), (14), (15), (17) and 4-7 of the Act and Sections 1050.425, 1050.475, and 1050.480 of the Rules.

NOW IT IS HEREBY ORDERED THAT:

1. The Department **REVOKES** Illinois Financial Network, Inc. License No. MB.0006655 pursuant to Section 4-5(h) (1) of the Act for failure to submit to examination and other violations of the Act and Rules cited herein.
2. The Department assesses a **FINE** against License No. MB.0006655 in the amount of **\$10,000** pursuant to Section 4-5(h) (5) of the Act for multiple violations of the Act and Rules cited herein. 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
Attention: FISCAL DIVISION
320 W. Washington, 5th Floor
Springfield, Illinois, 62786**

ORDERED THIS 18TH DAY OF JULY, 2012

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 by certified check or money order shall be filed with the Department at 320 West Washington Street, 5th 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.*].