

**STATE OF ILLINOIS**

**DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION**

**DIVISION OF BANKING**

**IN THE MATTER OF:** )  
 )  
**MORTGAGE ENTERPRISES, INC.** ) No. 2014-MBR-10  
 )  
License No. MB.0004554 )  
Attention: David Marquardt )  
800 Enterprise Drive, Suite 202 )  
Oak Brook, IL 60523 )

**ORDER REVOKING LICENSE AND ASSESSING FINE**

The **DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, DIVISION OF BANKING** (“Department”), having examined and investigated the activities of **MORTGAGE ENTERPRISES, INC.** (“MEI”), and having found 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 REVOKING LICENSE AND ASSESSING FINE**.

**STATUTORY PROVISIONS**

1. Section 2-4 of the Act requires applicants/licensees to make certain averments to the Department. Failure to fulfill the obligations of an averment, including the requirements under subsection (d) to file with the Department any required reports and under subsection (t) to comply with the Act and Rules, shall subject the applicant/licensee to discipline.
2. Section 2-6 of the Act provides that it is the responsibility of each licensee to accomplish renewal of its license, and that any application to surrender the license must comply with the Department’s surrender guidelines or requirements.
3. Section 3-2 of the Act requires a licensee to file its most recent audit report (or for a mortgage broker, unaudited financial statement), with the Director of the Department (“Director”) or Nationwide Mortgage Licensing System within 90 days after the end of the licensee’s fiscal year. Subsection (g) provides that a licensee who files false or misleading compilation financial statements is guilty of a business offense and shall be fined not less than \$5,000.
4. Section 3-5 of the Act requires a mortgage broker licensee to maintain net worth of not less than \$50,000.
5. Section 4-5(h) of the Act provides that when the Director finds any person in violation of the grounds set forth in section 4-5(i) the Director may enter an order imposing the penalty of revocation of license as authorized by paragraph (1) and may enter an order assessing a fine of up to \$25,000 for each separate offense as authorized by paragraph (5).

6. Section 4-5(i)(17) of the Act provides that failure to comply with, or violation of any provision of, the Act may be grounds for discipline.

### **FACTUAL FINDINGS**

7. MEI, having its corporate office at 800 Enterprise Drive, Suite 202, Oak Brook, Illinois 60523, is a residential mortgage broker holding Illinois residential mortgage license number MB.0004554 (“License”) with an expiration date of December 31, 2013. David Marquardt (“Marquardt”) is the owner of record of MEI in the Department’s licensing records.
8. The Department opened a regular examination of MEI on November 12, 2013 for the period October 1, 2011 to July 31, 2013 (the “Examination”).
9. On December 31, 2013, MEI filed for surrender of its License and its License lapsed as non-renewed on January 1, 2014. The Department was unable to process MEI’s surrender application due to the open Examination.
10. While the Examination was open, the Department made oral and written requests for supporting bank records to verify a \$140,000 “Advance Against Salary” by MEI to Rasched Banuri (“Banuri”), MEI’s employee and chief financial officer (“CFO”), that MEI counted towards satisfaction of its net worth requirement. The Department required these records by January 24, 2014; MEI responded on January 23, 2014 that the supporting records would be produced by January 30, 2014.
11. On February 7, 2014, the Department requested in a written communication to MEI that MEI produce the bank statements or other related bank records to verify that the \$140,000 “Advance Against Salary,” was made to Banuri and that Banuri had complied with repayment of the loan. MEI provided to the Department a letter dated July 25, 2011 in which Banuri requested an advance against his salary. The Department communicated to MEI this letter, signed by Banuri and Marquardt, was not a bank record and did not suffice for the Department’s request. The Department warned MEI that MEI’s failure to produce the requested records by February 14, 2014 would result in a referral of the matter for legal enforcement.
12. On February 26, 2014, MEI confirmed to the Department in writing that the supporting documentation was not there and could not be provided as requested by the Department. MEI stated that the CFO was responsible for the net worth data since the CFO was responsible for all financial matters of MEI.
13. On March 5, 2014, the Department opened an investigation of MEI and whether MEI had misrepresented its financials to the Department. The Department closed the investigation on March 26, 2014 finding that the misrepresentation had occurred and recommending that an enforcement action be taken.

**LEGAL CONCLUSIONS**

14. MEI has misrepresented to the Department its financial condition and failed to maintain the minimum net worth required by the Act.
15. MEI has violated Sections 2-4(d) & (t), 3-2 and 4-5(i)(17) of the Act .

**NOW IT IS HEREBY ORDERED THAT:**

1. The Department **REVOKES** MORTGAGE ENTERPRISES, INC.'s residential mortgage license number MB.0004554 pursuant to Section 4-5(h)(1) of the Act.
2. The Department assesses a **FINE** against MORTGAGE ENTERPRISES, INC. in the amount of \$5,000 as authorized by Section 3-2(g) of the Act and 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  
Attention: FISCAL DIVISION  
320 W. Washington, 5<sup>th</sup> Floor  
Springfield, Illinois 62786.**

ORDERED THIS 18<sup>TH</sup> DAY OF NOVEMBER, 2014

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
DIVISION OF BANKING

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SHEILA SAE GH HENRETTA  
ACTING 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 affected party may file a request for a hearing on a decision by the Director. The request for a hearing and \$500 hearing fee is payable by certified check or money order and must be filed with the Department at 320 West Washington Street, 5<sup>th</sup> Floor, and Springfield, IL 62786 within 10 days after the appealing party's receipt of this Order. The request for hearing must include an explicit admission, denial, or appropriate response to each allegation or issue contained in this Order pursuant to 38 Ill. Adm. Code 1050.1570. After receipt of a proper and timely request for hearing, 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].**