

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF:)
) No. 2015-MBR-14
WINGSPAN PORTFOLIO ADVISORS, LLC)
License No. MB.6760725)
18451 N. Dallas Pkwy.)
Dallas, TX 75287)

ORDER REVOKING LICENSE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, DIVISION OF BANKING (“Department”), having reviewed the activities of **WINGSPAN PORTFOLIO ADVISORS, LLC (“WINGSPAN PORTFOLIO ADVISORS”)**, 18451 N. Dallas Pkwy., Dallas, Texas 75287, and having documented violations under the Residential Mortgage License Act of 1987 (“Act”) [205 ILCS 635], the rules promulgated under the Act (“Rules”) [38 Ill. Adm. Code 1050], and the High Risk Home Loan Act [815 ILCS 137] hereby issues this Order for violations thereof.

STATUTORY PROVISIONS

1. Section 2-4 of the Act requires each application for a new or renewed license to be accompanied by averments to the Department, of which failure to fulfill the obligations of an averment shall subject the licensee to penalty, including in subsection (d) to file with the Department or Nationwide Mortgage Licensing System and Registry (“NMLS”) as applicable, when due, any report the licensee is required to file under any provisions of this Act; in subsection (t) to comply with the Act and Rules; in subsection (u) to submit to periodic examination by the Department as required by the Act; and in subsection (v) to advise the Department in writing of any bankruptcy petitions by the licensee within 5 days of occurrence.
2. Section 3-2 of the Act requires licensees engaged in mortgage banking or servicing activities to submit an annual audit prepared by a certified public accountant (“CPA”) in accordance with generally accepted accounting principles, and performed in accordance with generally accepted auditing standards. The annual audit must be filed with the Department or NMLS within 90 days after the end of the licensee’s fiscal year.
3. Section 3-5 of the Act requires a licensee engaged in mortgage banking or servicing activities to maintain net worth of not less than \$150,000.
4. Section 4-4(a) of the Act provides that every licensee shall file such other reports as the Department requests.
5. Section 4-5 of the Act provides that when the Department finds any person in violation of the grounds set forth in subsection (i), the Department may enter an order revoking a license as authorized by subsection (h)(1). A licensee violates Section 4-5(i) of the Act in subsection (11) for failure to comply with any order of the Department or the Rules; in subsection (13) for failure

to pay in a timely manner any fee, charge or fine under the Act; in subsection (15) for refusal to permit an investigation or examination of the licensee's books and records; and in subsection (17) for failure to comply with or violation of any provision of the Act.

6. Section 1050.410 of the Rules requires each licensee engaged in mortgage banking or servicing activities to provide written evidence to the Department of the licensee's conformance with a net worth of \$150,000, as required by Section 3-5 of the Act. This Section further provides for the calculation of net worth.
7. Section 1050.430 of the Rules provides that the failure to deliver audit reports within 90 days after the date specified in Section 3-2 of the Act, unless extended for cause by the Department, shall subject the licensee to payment of a fee at the rate of \$50 per calendar day for each day that such failure is continuing for up to three months.
8. Section 1050.870 of the Rules provides that servicing and foreclosure procedures of a licensee shall comply with applicable federal and State statutes and regulations.
9. Section 115 of the High Risk Home Loan Act requires on or before October 1 and April 1 of each year, each servicer of Illinois residential mortgage loans to report to the Department the default and foreclosure data for the 6-month periods ending June 30 and December 31, respectively.

FACTUAL FINDINGS

10. WINGSPAN PORTFOLIO ADVISORS holds Illinois Residential Mortgage License No. MB.6760725 ("License") with an expiration date of December 31, 2015. WINGSPAN PORTFOLIO ADVISORS has a fiscal year ending December 31 of each year and has reported that it conducts servicing and processing activities for Illinois residential mortgage loans.
11. By the due date of March 31, 2015, the Department failed to receive WINGSPAN PORTFOLIO ADVISORS annual audit for its fiscal year ending December 31, 2014 ("2014 Financial Audit"). The Department posted deficiency notices to WINGSPAN PORTFOLIO ADVISORS via the NMLS on April 15, 2015 and June 5, 2015 that the 2014 Financial Audit was overdue and accruing penalties.
12. On July 2, 2015 and upon failure to file its 2014 Financial Audit, the Department assessed to WINGSPAN PORTFOLIO ADVISORS the maximum late audit fee penalty of \$4,500 pursuant to Rules Section 1050.430 and posted another deficiency notice on the NMLS.
13. On July 13, 2015, WINGSPAN PORTFOLIO ADVISORS filed a Chapter 7 bankruptcy petition in the United States Bankruptcy Court, Eastern District of Texas. WINGSPAN PORTFOLIO ADVISORS provided no notice of said filing to the Department.
14. By the due date of October 1, 2015, WINGSPAN PORTFOLIO ADVISORS, failed to file with the Department its Default and Foreclosure Report for the period January 1, 2015 to June 30, 2015 ("2015 Default and Foreclosure Report").
15. The Department has further identified in the NMLS, that WINGSPAN PORTFOLIO ADVISORS has not submitted, as required, its 2014 NMLS Annual Financial Condition Report and its 2015 Quarter 2 Mortgage Call Report.

16. On October 28, 2015 and October 29, 2015, the Department attempted to contact WINGSPAN PORTFOLIO ADVISORS to schedule its regular examination as now coming due. The Department attempted contact using both electronic mail and telephone call methods using the contact information provided by WINGSPAN PORTFOLIO ADVISORS. The electronic mail was returned as undeliverable and the telephone number of record contained a message that the telephone number was no longer in service.

LEGAL CONCLUSION

17. WINGSPAN PORTFOLIO ADVISORS has repeatedly failed to file or submit required reports, notices, assessed late fees and to respond to Department regulatory requests and communications, and is in violation of Sections 2-4(d), (t), (u), & (v), 3-2, 3-5, 4-4(a) and 4-5(i)(11), (13), (15), & (17) of the Act, Sections 1050.410, 1050.430, and 1050.870 of the Rules, and Section 115 of the High Risk Home Loan Act.

NOW IT IS HEREBY ORDERED THAT,

1. The Department **REVOKES** WINGSPAN PORTFOLIO ADVISORS' License (MB.6760725) pursuant to Section 4-5(h)(1) of the Act.
2. WINGSPAN PORTFOLIO ADVISORS remains responsible for payment of the Department's separately-assessed late audit fee in the amount of \$4,500.

ORDERED THIS ____ DAY OF _____, 2015

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DIVISION OF BANKING

MICHAEL J. MANNION
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 must be filed with the Department at 320 West Washington Street, 5th Floor, Springfield, IL 62786 within 10 days after the appealing party's receipt of this Order; a \$500 hearing fee payable to the Department by cashier's check or money order must be filed with the hearing request. 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].