

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

IN THE MATTER OF:)
)
) **No. 2021-MBR-03**
EZ LENDING SOLUTIONS MORTGAGE LLC)
License No. MB. 6761321; NMLS 1705182)
935 N. Plum Grove Rd)
Unit H)
Schaumburg, IL 60173)
)
JAMES P. ALLEN, individually and as owner)
of EZ Lending Solutions Mortgage LLC)
)
and)
)
JAMES A. ALLEN, individually and as officer)
of EZ Lending Solutions Mortgage LLC)

ORDER TO CEASE AND DESIST, SUSPENDING LICENSE, AND ASSESSING FINE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (“Department”), having reviewed the activities of **EZ LENDING SOLUTIONS MORTGAGE LLC**, 935 N. Plum Grove Rd, Unit H, Schaumburg, IL 60173 (“EZ LENDING SOLUTIONS”), **JAMES P. ALLEN**, and **JAMES A. ALLEN** (collectively, “Respondents”), and having documented violations under 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 of the Act lists prohibited acts and practices for licensees. It is a violation of the Act for a licensee subject to the Act to: (d) fail to file with the Secretary of the Department (“Secretary”) or Nationwide Multistate Licensing System and Registry (“NMLS”) as applicable, when due, any report the licensee is required to file under any provisions of this Act; (t) fail to comply with the provisions of this Act, or with any lawful order, rule, or regulation made or issued under the provisions of this Act; and (u) fail to submit to periodic examination by the Secretary as required by this Act.
2. Section 3-1(c) of the Act requires that all licensees shall maintain a bond in accordance with this subsection. Each bond shall be for the recovery of expenses, fines, or fees due to or levied by the Secretary in accordance with this Act. The bond shall be payable when the licensee fails to comply with any provisions of this Act and shall be in the form of a surety or licensure bond in the amount and form as prescribed by the Secretary pursuant to rules and regulations. The bond shall be payable to the Department and shall be issued by some insurance company authorized to do

business in this State. A copy of the bond, including any and all riders and endorsements executed subsequent to the effective date of the bond, shall be placed on file with the Department within 10 days of the execution thereof.

3. Section 3-2 of the Act requires a broker licensee to file its most recent annual audited or compilation financial statements with the Department or NMLS within 90 days after the end of the licensee's fiscal year.
4. Section 3-5 of the Act requires a broker licensee to maintain net worth of not less than \$50,000.
5. Section 4-4(a) of the Act provides that every licensee shall file such other reports as the Department requests.
6. Section 4-1(h-1) of the Act provides the Director of the Department ("Director") the authority to issue orders against any person if the Director has reasonable cause to believe that an unsafe, unsound, or unlawful practice has occurred, is occurring, or is about to occur, if any person has violated, is violating, or is about to violate any law, rule, or written agreement with the Director, or for the purposes of administering the provisions of the Act and any rule adopted in accordance with the Act.
7. Section 4-5(h)(2) 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 the penalty of suspension of a license subject to reinstatement upon satisfying all reasonable conditions as the Department may specify.
8. 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 of up to \$25,000 for each count of a separate offense.
9. Section 4-5(i) of the Act sets forth a list of acts that constitute grounds for which the disciplinary action specified in subsection (h) above may be taken, including among others: (11) failure to comply with any order of the Director or rule made or issued under the provisions of this Act, (13) failure to pay in a timely manner any fee, charge or fine under this Act, (14) 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 of the Director, (15) refusing, obstructing, evading, or unreasonably delaying an investigation, information request, or examination authorized under this Act, or refusing, obstructing, evading, or unreasonably delaying compliance with the Director's subpoena or subpoena duces tecum, and (17) failure to comply with or violation of any provision of this Act.
10. Section 4-8.3 of the Act requires that on or before March 1 of each year or the date selected for Mortgage Call Reports under Section 4-9.1 of this Act, each licensee shall file a report with the Secretary that discloses such information as the Secretary requires. A licensee filing a Mortgage Call Report is not required to file an annual report.
11. Section 4-13 of the Act provides that, if the Director finds, as the result of examination, investigation or review of reports submitted by a licensee that the business and affairs of a licensee are not being conducted in accordance with this Act, the Director shall notify the licensee of the correction necessary. Section 4-13 further provides that, should a licensee fail to correct such

violations, the Director shall issue an order requiring immediate correction and compliance with this Act, specifying a reasonable date for performance.

12. Section 1050.410 of the Rules requires, except as provided in subsection (c) of this Section, each broker licensee to maintain net worth of not less than \$50,000.
13. Section 1050.430 of the Rules states that audit reports not delivered within 90 days after the date specified in Section 3-2 of the Act, unless extended for cause by the Director, shall cause the licensee to pay a fee at the rate of \$50 per calendar day for up to three months.
14. Section 1050.490 of the Rules requires each licensee to submit to the Department a current surety bond in the required amount for the term of the license.
15. Section 1050.1175 of the Rules requires a licensee engaged in loan brokerage or loan origination to maintain a loan log with required information for each residential mortgage loan application, including the name of the mortgage loan originator taking the loan application.

FACTUAL FINDINGS

16. EZ LENDING SOLUTIONS is a residential mortgage broker holding Illinois Residential Mortgage License No. MB. 6761321 ("EZ LENDING SOLUTIONS") with an expiration date of December 31, 2021.
17. JAMES P. ALLEN directly owns 100 percent of the membership interests in EZ LENDING SOLUTIONS and is a control person of EZ LENDING SOLUTIONS since January 12, 2018, according to its filings with NMLS.
18. JAMES A. ALLEN is the chief executive officer of EZ LENDING SOLUTIONS and is a control person and the primary regulator contact of EZ LENDING SOLUTIONS since January 22, 2018, according to its filings with NMLS. JAMES A. ALLEN has also been a mortgage loan originator for EZ LENDING SOLUTIONS since February of 2018.
19. On November 25, 2020, the Department issued a Pre-Examination Alert Requirements Letter ("PEARL") to EZ LENDING SOLUTIONS, attention to JAMES A. ALLEN, as part of the periodic examination process required by the Act and the Rules.
20. On November 30, 2020, the Department requested that EZ LENDING SOLUTIONS start production of documents listed in the PEARL, including, but not limited to, its loan log and other standard documentation routinely requested by the Department in conducting periodic examinations of licensees ("Request").
21. From the date of the Request through January 19, 2021, EZ LENDING SOLUTIONS was given numerous opportunities by the Department to provide the documents listed in the PEARL. However, JAMES A. ALLEN continued to provide inadequate responses to several items listed in the PEARL and failed to respond with any documents for other items listed in the PEARL. Furthermore, the Department specifically identified deficiencies in EZ LENDING SOLUTIONS' responses and communicated such deficiencies to JAMES A. ALLEN.

22. On April 6, 2021, EZ LENDING SOLUTIONS was sent a Report of Examination (“ROE”). JAMES A. ALLEN acknowledged receipt of the ROE on the same date. The ROE cited numerous violations of the Act due to EZ LENDING SOLUTIONS’ failure to produce the requested documents. The matter was then referred to the Department’s Supervision Section (“Supervision”) for follow-up and further monitoring of EZ LENDING SOLUTIONS.
23. Supervision confirmed the findings of the ROE and determined that EZ LENDING SOLUTIONS’ ongoing violations of the Act and Rules included, but were not limited to, the following:
 - a. failure to produce a surety bond to the Department in the required amount since 2019;
 - b. failure to timely submit its annual financial statements for December 31, 2020 by the due date of March 31, 2021 or thereafter, resulting in the maximum late audit fee of \$4,500;
 - c. failure to demonstrate, as a result of its failure to timely submit annual financial statements, compliance with the minimum net worth requirements;
 - d. failure to timely and accurately file several required quarterly Mortgage Call Reports;
 - e. failure to provide a loan log meeting the specific requirements of the Act and the Rules;
 - f. refusing, obstructing, evading, and unreasonably delaying an examination authorized under the Act and failing to submit to a periodic examination by the Secretary.
24. On April 12, 2021, Supervision held a meeting with JAMES A. ALLEN and EZ LENDING SOLUTIONS’ attorney (“Attorney”) to discuss EZ LENDING SOLUTIONS’ ongoing violations of the Act and Rules. During this meeting, EZ LENDING SOLUTIONS agreed that its Attorney would produce documents addressing all missing items from the PEARL that EZ LENDING SOLUTIONS had previously failed to provide during the examination.
25. The Attorney subsequently provided documentation addressing only one item from the PEARL. Supervision e-mailed the Attorney on May 7, 2021 and instructed EZ LENDING SOLUTIONS to produce missing documentation for all other items by May 14, 2021. However, EZ LENDING SOLUTIONS failed to provide any documentation by such date. Supervision again e-mailed EZ LENDING SOLUTIONS on June 14, July 16, and July 29, 2021, but EZ LENDING SOLUTIONS never responded and never provided any of the required documentation.
26. On October 20, 2021, Supervision emailed a letter and invoice to JAMES A. ALLEN confirming the late audit owed by EZ LENDING SOLUTIONS. JAMES A. ALLEN responded to the email on October 20, 2021 stating that he would pay it by Friday of said week.
27. As of the date of this Order, EZ LENDING SOLUTIONS, JAMES P. ALLEN, and JAMES A. ALLEN have still not corrected the violations identified in the ROE and by Supervision, including those listed in Paragraph 23, have not paid the late audit fee, have continued to refuse information requests from the Department, and have failed to submit to examination by the Secretary.

LEGAL CONCLUSIONS

28. EZ LENDING SOLUTIONS, JAMES P. ALLEN, and JAMES A. ALLEN have engaged in, are engaging in, or are about to engage in unsafe, unsound, or unlawful practices in violation of Section 4-1(h-1) of the Act by failing to correct numerous violations cited in the ROE and by Supervision, by refusing information requests from the Department, and by failing to submit to examination by the Secretary.

29. EZ LENDING SOLUTIONS has violated Sections 2-4(d), (t) & (u), 3-1(c), 3-2, 3-5, 4-4(a), 4-5(i)(11), (13), (14), (15) & (17), and 4-8.3 of the Act and Sections 1050.410, 1050.430, 1050.490, and 1050.1175 of the Rules.

NOW IT IS HEREBY ORDERED THAT,

- I. EZ LENDING SOLUTIONS, JAMES P. ALLEN, and JAMES A. ALLEN (collectively, "Respondents") shall immediately correct the violations cited in this Order and cease and desist from unsafe, unsound, and unlawful practices, including, but not limited to, by submitting a surety bond in the required amount through NMLS, submitting required financial statements, paying the late audit fees owed to the Department, providing a complete loan log, and satisfying all other requests made in the PEARL and by complying with all other requirements of the Act and Rules no later than December 31, 2021.
- II. As of the date of this Order, the Department **SUSPENDS** EZ LENDING SOLUTIONS' license pursuant to Section 4-5(h)(2) of the Act until it fully complies with Paragraph I of this Order.
- III. The Department assesses a **FINE** against EZ LENDING SOLUTIONS in the amount of \$35,000 pursuant to Section 4-5(h)(5) of the Act. The fine is payable by certified check or money order by no later than December 31, 2021 to the:

Illinois Department of Financial and Professional Regulation
Attn: Cash Unit/Fiscal
320 Washington St., Rm. 336
Springfield, Illinois 62786

- IV. If after this Order from the Department, Respondents persist in violating this Order, the Act, and the Rules, the Department may impose additional penalties, including, but not limited to, the following: refusing to renew or revoking EZ LENDING SOLUTIONS' license pursuant to Sections 2-5 and 4-5(h)(1) of the Act; issuing an order against JAMES P. ALLEN and JAMES A. ALLEN of removal and prohibition from further service with any Illinois residential mortgage licensee as a director, officer, or employee pursuant to Section 6-2(b) of the Act; and assessing additional fines against each of the Respondents for each separate offense pursuant to Section 4-5(h)(5) of the Act, with each day that Respondents persist in violating this Order, the Act, and the Rules constituting a separate offense.

ORDERED THIS 7 DAY OF December, 2021

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DIVISION OF BANKING



CHASSE REHWINKEL
ACTING DIRECTOR

You are hereby notified that this Order is an administrative decision. Pursuant to Section 4-12 of the Illinois Residential Mortgage License Act [205 ILCS 635/4-12] and the rules promulgated thereunder on Hearings Before the Division of Banking and Division of Financial Institutions [38 Ill. Adm. Code 100.5 *et seq.*], an affected party may file a petition for a hearing on an administrative decision by the Director. The petition for a hearing must be filed within 10 days after service of this Order by mail to the Department at 555 W. Monroe St., Suite 500, Chicago, IL 60201, Attn: Angela Alexandrakis with an electronic copy by email to Angela.Alexandrakis@illinois.gov. The petition for hearing must be in writing and set forth the petitioner's license number, docket number of the administrative decision that resulted in discipline, and date of the administrative decision, pursuant to 38 Ill. Adm. Code 100.30(c). Each party that requests a hearing shall pay a \$500 nonrefundable fee to the Department in accordance with 38 Ill. Adm. Code 100.20. After receipt of a properly completed and timely petition for hearing, a case will be docketed and notice sent to the petitioner setting forth the date, time, and place of the hearing. Absent a petition for a hearing, this Order shall constitute a final administrative decision subject to the Administrative Review Law [735 ILCS 5/3-101 *et seq.*].