

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

IN THE MATTER OF:

**AVATAR REALTY GROUP, INC. a/k/a MONROE )  
REALTY & FINANCIAL ENTERPRISES, INC. )  
a/k/a MONROE REALTY CORPORATION ) No. 2011-MBR-CD13  
Attention: Arthur R. Monroe )  
4206 N. Milwaukee Ave. Ste. A )  
Chicago, IL 60641 )**

**ORDER TO CEASE AND DESIST & ASSESSING FINE**

The Illinois Department of Financial and Professional Regulation, Division of Banking (“Department”) hereby issues to Avatar Realty Group, Inc. a/k/a Monroe Realty & Financial Enterprises, Inc. a/k/a Monroe Realty Corporation (“Monroe Financial Enterprises”) this ORDER TO CEASE AND DESIST & ASSESSING FINE (“Order”). This Order is authorized by and issued pursuant to the provisions of Sections 1-3(d-1) & (e) and 4-1 (h-1) of the Residential Mortgage License Act of 1987 (“RLMA”) [205 ILCS 635].

**FINDINGS OF FACT**

The Department makes the following Findings of Fact:

1. That Section 1-3(a) of the Residential Mortgage Licensing Act of 1987 (“RMLA”) [205 ILCS 635/1-3(a)] requires any person, partnership, association, corporation or other entity to obtain an Illinois residential mortgage license to engage in the business of brokering, funding, originating, servicing, or purchasing of residential mortgage loans;
2. That the RMLA was amended by P.A. 96-0112, effective July 31, 2009, to enact changes for mortgage loan originators required by the federal Secure and Fair Enforcement Act for Mortgage Licensing Act of 2008 (“SAFE Act”);
3. That the U.S. Department of Housing and Urban Development (“HUD”) published on December 15, 2009 “SAFE Mortgage Licensing Act: HUD Responsibilities Under the SAFE Act; Proposed Rule” in which HUD expressed the view that third-party loan modification specialists are within the licensing requirements of the SAFE Act, subject to public comment and final rule adoption, but states are empowered to act within their contemporary interpretations of state licensing laws implementing SAFE Act provisions and are permitted to exceed the minimum requirements of the SAFE Act;

4. That the Department has continued to receive an escalating number of complaints from consumers and others regarding unlicensed companies and individuals taking up-front and/or excessive fees, providing limited or no services for these fees, failing to refund unearned fees, and placing consumers at further risk of losing their homes through foreclosure by failing to timely obtain loan modifications or communicate status with consumers;
5. That the Department has determined that the RMLA, as amended by the SAFE Act provisions of P.A. 96-0112, authorizes the licensing and regulation of residential loan modification services by entities and individuals and as consistent with the purpose of protecting consumers under the RMLA;
6. That the Department has posted two public notifications on its website [www.idfpr.com](http://www.idfpr.com) consisting of a "Statement Regarding Loan Modification Services" and a "Statement Regarding Attorneys Performing Mortgage Loan Modifications;"
7. That in March 2010 the Department was first alerted and opened an investigation through an initial consumer complaint that Monroe Financial Enterprises, and through its owner Arthur R. Monroe ("Monroe;" formerly holding Loan Originator Registration No. 031.0011409), was charging and collecting upfront fees for residential loan modification services and then failing to provide the advertised or contracted services;
8. That the Department later became aware of other State agencies which had received similar complaints filed by consumers against Monroe Financial Enterprises and Monroe for violations of other state consumer protection and licensing laws. The Department has received such a referral of an enforcement issue and investigation from the Division of Professional Regulation of the Department regarding consumer RP's complaint as follows:
  - a. In or around February 2009, Registrant provided consultation to RP regarding loan modification services at Registrant's office at Monroe Realty & Financial Enterprises Corporation, 4206 N. Milwaukee Avenue, Suite A, in Chicago, Illinois.
  - b. In or around February 2009, RP paid Registrant a \$150 consultation fee.
  - c. On or about April 28, 2009, RP paid Registrant an additional \$1,225.00 fee for loan modification services.
  - d. On or about April 28, 2009, Registrant generated documents in order to assist RP in modifying his home mortgage.
  - e. That Registrant failed to provide the advertised or contracted services as well as refusing consumer RP's request for a refund of said fees.
  - f. That loan modification is not a permissible service to be conducted by an unlicensed entity pursuant to the Act.

9. That no person, partnership, association, corporation, or other entity except a licensee under RMLA or an entity exempt from licensing pursuant to Section 1-4, subsection (d) of RMLA shall do any business under any name or title, or circulate or use any advertising or make any representation or give any information to any person, which indicates or reasonably implies activity within the scope of RMLA; and
10. That the Department has reasonable cause to believe that an unsafe, unsound, or unlawful practice has occurred, is occurring, or is about to occur as to Monroe Financial Enterprises (and Monroe who is cited by the Department separately in Order No. 2011-MLO-22) providing loan modification services as an unlicensed entity and that Monroe Financial Enterprises has committed a business offense.

### CONCLUSIONS OF LAW

Based on the Findings of Fact, the Department makes the following Conclusions of Law:

Monroe Financial Enterprises has violated RMLA Sections 1-3(a), (b), (d-1), & (e), 4-1(h-1), and 7-1 & 7-1A of the Act by performing loan modification services without holding an Illinois residential mortgage license and by providing said services through its owners, officers, directors, employees or agents not licensed or registered as mortgage loan originators.

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

Monroe Financial Enterprises, by and through its owners, officers, directors, employees, and agents, shall immediately cease and desist from performing loan modification services and shall be assessed and pay a fine due and payable upon issuance of this Order in the amount of \$25,000 to the Department.

ORDERED THIS 6 DAY OF June, 2011

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 (certified check/money order) shall be filed at 320 W. Washington, 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.].**

State of Illinois (   
 ( ss:   
County of Cook (

The undersigned, being duly sworn on oath, states that on \_\_\_\_/\_\_\_\_/\_\_\_\_, I mailed with sufficient postage affixed, a copy of the foregoing **CEASE AND DESIST ORDER & ASSESSING FINE** by U.S. registered mail, return receipt requested, at 122 S. Michigan Avenue, Suite 1900, Chicago, Illinois 60603, to the address listed below:

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AFFIANT

Subscribed and sworn to before me,

this \_\_\_\_ day of \_\_\_\_\_, 2011

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NOTARY PUBLIC

Mail to:

**AVATAR REALTY GROUP, INC. a/k/a MONROE  
REALTY & FINANCIAL ENTERPRISES, INC.  
a/k/a MONROE REALTY CORPORATION**  
Attention: Arthur R. Monroe  
4206 N. Milwaukee Ave. Ste. A  
Chicago, IL 60641

**STATE OF ILLINOIS**

**DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION**

**DIVISION OF BANKING**

IN THE MATTER OF: )  
)  
) No. 2011-MLO-22  
**ARTHUR R. MONROE** )  
5215 Old Reserve Road )  
Oswego, Illinois 60543 )  
)

**ORDER REVOKING  
LOAN ORIGINATOR REGISTRATION AND ASSESSING FINE**

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking, (“Department”), having conducted an examination of the facts related to registered Loan Originator Arthur R. Monroe, (“Registrant”), 5215 Old Reserve Road, Oswego, Illinois 60543 and having found that the Registrant has committed violations cited herein of the Residential Mortgage License Act of 1987 (“Act”) [205 ILCS 635], and of the rules promulgated under the Act (“Rules”) [38 Ill. Adm. Code 1050], hereby issues this Order pursuant to the authority provided under Article VII of the Act and Sections 1050.2170(a)(1)&(2) of the Rules. The Department makes the following:

**FINDINGS**

1. That Section 1-3(a) of the Residential Mortgage Licensing Act of 1987 (“RMLA”) [205 ILCS 635/1-3(a)] requires any person, partnership, association, corporation or other entity to obtain an Illinois residential mortgage license to engage in the business of brokering, funding, originating, servicing, or purchasing of residential mortgage loans;
2. That the RMLA was amended by P.A. 96-0112, effective July 31, 2009, to enact changes for mortgage loan originators required by the federal Secure and Fair Enforcement Act for Mortgage Licensing Act of 2008 (“SAFE Act”);
3. That the U.S. Department of Housing and Urban Development (“HUD”) published on December 15, 2009 “SAFE Mortgage Licensing Act: HUD Responsibilities Under the SAFE Act; Proposed Rule” in which HUD expressed the view that third-party loan modification specialists are within the licensing requirements of the SAFE Act, subject to public comment and final rule adoption, but states are empowered to act within their contemporary interpretations of state licensing laws implementing SAFE Act provisions and are permitted to exceed the minimum requirements of the SAFE Act;
4. That the Department has continued to receive an escalating number of complaints from consumers and others regarding unlicensed companies and individuals taking up-front and/or excessive fees, providing limited or no services for these fees, failing to refund unearned fees, and placing consumers at further risk of losing their homes through foreclosure by failing to timely obtain loan modifications or communicate status with consumers;

5. That the Department has determined that the RMLA, as amended by the SAFE Act provisions of P.A. 96-0112, authorizes the licensing and regulation of residential loan modification services by entities and individuals and as consistent with the purpose of protecting consumers under the RMLA;
6. That the Department has posted two public notifications on its website [www.idfpr.com](http://www.idfpr.com) consisting of a "Statement Regarding Loan Modification Services" and a "Statement Regarding Attorneys Performing Mortgage Loan Modifications;"
7. That in March 2010, the Department was first alerted and opened an investigation through an initial consumer complaint alleging that Registrant, and through his company Avatar Realty Group, Inc. a/k/a Monroe Realty & Financial Enterprises, Inc. a/k/a Monroe Realty Corporation ("Monroe Financial Enterprises"), was charging and collecting upfront fees for residential loan modification services and then failing to provide the advertised or contracted services.
8. That the Department later became aware of other State agencies which had received similar complaints filed by consumers against Registrant and Monroe Financial Enterprises for violations of other state consumer protection and licensing laws. The Department has received such a referral of an enforcement issue and investigation from the Division of Professional Regulation of the Department regarding consumer RP's complaint as follows:
  - a. In or around February 2009, Registrant provided consultation to RP regarding loan modification services at Registrant's office at Monroe Realty & Financial Enterprises Corporation, 4206 N. Milwaukee Avenue, Suite A, in Chicago, Illinois.
  - b. In or around February 2009, RP paid Registrant a \$150 consultation fee.
  - c. On or about April 28, 2009, RP paid Registrant an additional \$1,225.00 fee for loan modification services.
  - d. On or about April 28, 2009, Registrant generated documents in order to assist RP in modifying his home mortgage.
  - e. That Registrant failed to provide the advertised or contracted services as well as refusing consumer RP's request for a refund of said fees.
  - f. Loan modification is not a permissible service to be conducted by an unlicensed individual pursuant to the Act.
9. That no person, partnership, association, corporation, or other entity except a licensee under RMLA or an entity exempt from licensing pursuant to Section 1-4, subsection (d) of RMLA shall do any business under any name or title, or circulate or use any advertising or make any representation or give any information to any person, which indicates or reasonably implies activity within the scope of RMLA; and
10. That the Department has reasonable cause to believe that an unsafe, unsound, or unlawful practice has occurred, is occurring, or is about to occur as to Registrant (and Monroe Enterprises who is cited by the Department separately in Order No. 2011-MBR-CD13) providing loan modification services as an unlicensed individual; and

11. That when Registrant was initially licensed in October 2005 he was issued an administrative warning letter which stated if he violated the Act or Rules he would be subject to disciplinary action, prosecution of which may be given higher priority.

**CONCLUSIONS**

BASED UPON THE ABOVE FINDINGS, THE DEPARTMENT IS OF THE OPINION AND CONCLUDES:

Registrant's activities under Certificate of Registration No. 031.0011409 are in violation of Sections 7-3 (3), 7-13 (1), (2), (3), (6), (7), (8), (9), (12) and (15) of the Act and Sections 1050.2165(b), (c) and (e) of the Rules.

**NOW THEREFORE IT IS HEREBY ORDERED:**

1. That Arthur R. Monroe's Loan Originator Certificate of Registration No. 031.0011409 is revoked and fined \$10,000 pursuant to Article VII of the Act and Sections 1050.2170(a)(1)&(2) of the Rules.
2. The total fine in the amount of \$10,000 shall be due thirty (30) days after the effective date of this Order; and
3. The fee in the amount of \$10,000 shall be paid by means of a certified check or money order made payable to the:

**Department of Financial and Professional Regulation  
Division of Banking  
ATTN: Loan Originator Section  
320 W. Washington  
Springfield, Illinois, 62786**

ORDERED THIS 6 DAY OF June, 2011

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

  
\_\_\_\_\_  
MANUEL FLORES, DIRECTOR





State of Illinois (   
 ( ss:   
 County of Cook (

The undersigned, being duly sworn on oath, states that on \_\_\_\_/\_\_\_\_/\_\_\_\_, I mailed with sufficient postage affixed, a copy of the foregoing **ORDER REVOKING LOAN ORIGINATOR REGISTRATION AND ASSESSING FINE** by regular and certified mail, return receipt requested at 122 S. Michigan Avenue, Suite 1900, Chicago, Illinois 60603, to the address of Registrant registered with IDFPR Division of Banking listed below:

ARTHUR R. MONROE  
5215 Old Reserve Road  
Oswego, Illinois 60543

\_\_\_\_\_  
AFFIANT

Subscribed and sworn to before me,  
this \_\_\_\_ day of \_\_\_\_\_, 2011

\_\_\_\_\_  
NOTARY PUBLIC  
\_\_\_\_\_