

OFFICE OF BANKS AND REAL ESTATE



**Bureau of Residential Finance
Mortgage Banking Division**

Stohr Capital Group, Inc. dba Source Financial

No. 2004-BRF-67

**License No. MB.0005439
12515 Bel Red Road, Ste. 103
Attn: Lisa Ward
Bellevue, WA 98005**

ORDER IMPOSING FINE

WHEREAS, STOHR CAPITAL GROUP, INC. DBA SOURCE FINANCIAL (hereinafter referred to as the “Licensee”) is licensed under the Residential Mortgage License Act of 1987 [205 ILCS 635] and the Rules of the Residential Mortgage License Act of 1987 [38 Ill. Adm. Code 1050] (hereinafter referred to as the “Act” or “Rules” as the case may be); and

WHEREAS, Licensee is subject to the jurisdiction of the Commissioner of Banks and Real Estate pursuant to the Act and Rules; and

WHEREAS, the Act and Rules impose requirements on licensees that they are to fulfill under the Act; and

WHEREAS, Section 4-5(h)(5) of the Act provides that the Commissioner may impose a fine not exceed \$25,000 for each count of separate offense for acts by a licensee in violation of Section 4-5(i) of the Act; and

WHEREAS, Licensee has violated the following subsections of Section 4-5(i) of the Act:

Licensee violated subsection (11) by failing to comply with the Rules, subsection (12) by performing acts without all required full service office licenses, subsection (14) by failing to maintain, preserve, and keep available for examination by the Office of Banks and Real Estate's (the "OBRE") all required documents, and subsection (17) by failing to comply with all provisions of the Act.

NOW, THEREFORE, I, D. Lorenzo Padron, Commissioner of Banks and Real Estate of the State of Illinois, after reviewing the record in this matter, make the following :

FINDINGS

1. That the Office of Banks and Real Estate (the "OBRE") Mortgage Banking Division examined the Licensee through an on-site examination of the Licensee's full service office in Godfrey, Illinois (License No. MB.0005439-003) as of the close of business on May 20, 2004, and through other attempts to directly contact the Licensee at the Licensee's corporate office.
2. That OBRE found evidence that the Licensee violated the following provisions of the Act and Rules:
 - a. Licensee violated Section 2-4(b) of the Act by failing to provide contact information to OBRE and support its licensed branch offices so that consumers could receive services at those offices.
 - b. Licensee violated Section 2-4(d) of the Act by failing to provide the requested information and requested documents to OBRE for the examination. Documents missing from the examination package included the previous report of examination, financial statements, officer's questionnaire, continuation certificate for their surety bond and fidelity bond, Good Standing Certificate from the Illinois Secretary of State, Federal and State Income Tax Returns.
 - c. Licensee violated Section 2-4(o) & (r) of the Act by failing to keep available for OBRE's examination all books, accounts or other documents required for examination.
 - d. Licensee violated Section 2-4(t) of the Act by sending termination letters on April 28, 2004 to its Illinois branches informing them that they will be discontinuing their state net branch program, but failing to so inform OBRE.
 - e. Licensee violated Section 2-8(a) of the Act and Section 1050.350 of the Rules by advertising and apparently operating branch offices without a license, including the submission of one or more requests to OBRE to discontinue full service offices for which OBRE had never received license applications from the Licensee.

- f. Licensee violated Section 3-1(a) of the Act and Section 1050.490 of the Rules by not providing OBRE with continuation certificates evidencing current surety and fidelity bonds.
- g. Licensee violated Section 3-5 of the Act and Section 1050.410(a) of the Rules by not providing financial statements in connection with the on-site examination to allow OBRE to determine the Licensee's net worth.
- h. Licensee violated Section 1050.360 of the Rules by not providing OBRE with proof of continuing education for all its loan officers employed within Illinois.
- i. Licensee violated Section 1050.470 of the Rules by failing to inform OBRE of its most recent U.S. Housing and Urban Development ("HUD") audit and possible findings affecting the licensee's authority to do business as a licensee.
- j. Licensee violated Section 1050.1175 of the Rules by failing to provide OBRE with loan logs for each Illinois full service office.

CONCLUSIONS

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

1. That notwithstanding notices and other efforts by the Commissioner, License violated the aforementioned sections of the Act and Rules; and
2. That Licensee is not currently complying with the Act and Rules.

ORDER

NOW THEREFORE IT IS ORDERED:

1. That the license of STOHR CAPITAL GROUP, INC. DBA SOURCE FINANCIAL License No. MB.0005439, shall be and hereby assessed a fine in the amount of \$25,000 and
2. The fine in the amount of \$25,000 shall be paid no later than 30 days after the effective date of this Order upon STOHR CAPITAL GROUP, INC. DBA SOURCE FINANCIAL; and
3. The fine in the amount of \$25,000 shall be paid by means of a certified check or money order payable to the:

**Office of Banks and Real Estate
Bureau of Residential Finance
500 East Monroe Street, Suite 800
Springfield, IL 62701-1509**

ORDERED THIS 15th DAY OF JUNE 2004

BY: _____
David S. Rodriguez
First Deputy Commissioner

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 shall be filed within 10 days after the receipt of an administrative decision. A hearing shall be held within 30 days after the receipt by the Commissioner of Banks and Real Estate of a request for a hearing. 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.*].