

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKS AND REAL ESTATE

IN THE MATTER OF:)
)
K & M MORTGAGE, INC.) No. 2005-MBR-41
ATTN: David J. Miloch)
3202 Northwest Highway)
Cary, IL 60013)

ORDER SUSPENDING LICENSE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banks and Real Estate (the "Department"), has initiated an inquiry related to activities conducted by K&M Mortgage, Inc. 3202 Northwest Highway, Cary, Illinois, 60013, (the "Licensee"), and having found that the Licensee committed a violation of the Residential Mortgage License Act of 1987, [205 ILCS 635] (the "Act"), and of the rules promulgated under the Act [38 Ill. Adm. Code 1050], hereby issues this ORDER pursuant to the authority provided under Section 4-5(h)(2) of the Act. The Department makes the following:

FINDINGS

1. That K&M Mortgage, Inc. is an Illinois residential mortgage Licensee holding license No. MB.0006364 and located at 3202 Northwest Highway, Cary, Illinois, 60013;
2. That on January 20, 2004, the Department conducted an examination of Licensee and the examiner found the following violation regarding Net Worth Requirement.
3. That on May 27, 2004, the Department sent to Licensee a Report of Examination and Letter of Supervision via U.S. first-class mail service, advising Licensee that the information/documentation regarding Net Worth should be submitted to the Department within thirty days (30) from the date of the report, due date of June 28, 2004.
4. That on June 25, 2004, the Department received a response via fax from Licensee requesting an extension from the Department, to respond to the examination letter.
5. That on June 28, 2004, the Department telephoned Licensee and left a message indicating that the request for an extension is denied, and that Licensee must put in writing the cause that the extension is being requested.

6. That on October 24, 2004, licensee's Illinois Residential Mortgage license lapsed, and licensee was placed into an inactive status on December 10, 2004.
7. That on June 21, 2005, the Department sent a Potential Disciplinary Action letter via U.S. first-class mail service, and U.S. certified mail advising Licensee that K&M Mortgage, Inc., has failed to comply with the Act and Rules as described in the letter.
8. A return receipt card evidencing receipt of such was received by the Department on June 24, 2005.

CONCLUSIONS

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

That notwithstanding notices and other efforts by the Department, Licensee is in violation of the Section 3-5 (Net Worth Requirements) of the Act, and therefore in violation of Section 4-5(i)(17) of the Act.

ORDER

NOW THEREFORE IT IS HEREBY ORDERED that the license of K&M MORTGAGE, INC.

License No. MB.0006364 is suspended by Order of the Department pursuant to Section 4-5(h)(2) for failure to comply with the provisions cited herein of the Act and Rules, effective ten days after receipt of this Order, unless you request a hearing pursuant to the RMLA and Subpart N of the Rules, including remitting the hearing fee required by Section 1050.270 of the Rules.

**Department of Financial and Professional Regulation
Division of Banks and Real Estate
ATTN: FISCAL DIVISION, 2ND FLOOR
320 W. Washington Street
Springfield, IL 62786**

ORDERED THIS 15th DAY OF JULY 2005

DEPARTMENT OF FINANCIAL
AND PROFESSIONAL REGULATION
of the State of Illinois;
FERNANDO E. GRILLO, SECRETARY

REYNOLD M. BENJAMIN
Acting Director, Bureau of Residential Finance
Division of Banks and Real Estate

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 Department of Financial and Professional Regulation, Division 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.*].