STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF:)	
)	No. 2007-MBR-14-b
)	NO. 2007-MDK-14-0
APPEX FINANCIAL GROUP, INC.)	
D/B/A APPEX DISCOUNT MORTGAGE, INC.)	
Attention: Paul Zcap)	
213 W. Bloomingdale Ave.)	
Brandon, FL 33511)	

ORDER ASSESSING FINE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (the "Department"), having conducted an investigation of activities conducted by Appex Financial Group, Inc. d/b/a Appex Discount Mortgage, Inc. (the "Licensee") and having documented violations of the Residential Mortgage License Act of 1987 (the "Act") [205 ILCS 635] and the rules promulgated under the Act (the "Rules") [38 Ill. Adm. Code 1050], hereby issues this ORDER pursuant to the authority provided under Section 4-5(h)(5) of the Act. The Department makes the following:

FINDINGS

- 1. That Appex Financial Group, Inc. d/b/a Appex Discount Mortgage, Inc. is an Illinois residential mortgage licensee holding license No. MB.6760088 and located at 213 W. Bloomingdale Ave., Brandon, Florida 33511;
- 2. That commencing on or around March 2007, the Department began an investigation of residential mortgage loan files connected to Clint Welsh, an unregistered loan originator employed by Licensee, and operation of unlicensed additional full service office at 7717 W. Belmont, Elmwood Park, Illinois 60607 (the "Office") and said investigation was subsequently expanded to include Odeh Saleh, another unregistered loan originator, working at the Office; thereafter the investigation was joined with a separate existing investigation into Licensee's brokering of a residential mortgage loan application including a fraudulent appraisal for a property at 1330 S. Komensky, Chicago, Illinois 60623, said application taken by another unregistered loan originator Deangelius Smith;

- 3. That the Department was initially in contact with Licensee on or around March 27, 2007 at which time Licensee acknowledged that it was the Licensee's mortgage loan files that the Department had under investigation, and that the Department was further in contact with Licensee on or around April 3, 2007 regarding the expanded investigation and that additional mortgage loan file documents were requested from Licensee and supplied for the property at 1330 S. Komensky, Chicago, Illinois 60623; and
- 4. That the Department's investigations confirmed from the Licensee's mortgage loan files that the Licensee through its unregistered loan originator employees at the Office had solicited at least seven Illinois consumers for residential mortgage loans, pulling credit reports for these consumers, and closed at least one loan with a lender; the Department further confirmed that Licensee had processed the mortgage loan application for the property at 1330 S. Komensky, Chicago, Illinois 60623 taken by its unregistered loan originator Deangelius Smith and had submitted it for underwriting by a lender without detecting the fraudulent appraisal in its processing of the mortgage loan application.

CONCLUSIONS

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

That notwithstanding notices and other efforts by the Department, Licensee operated an unlicensed additional full service office at 7717 W. Belmont, Elmwood Park, Illinois 60607 in violation of Section 2-8 of the Act and Section 1050.350 of the Rules, employed three unregistered loan originators in violation of Section 2-4(x) and 7-1 of the Act and Subpart R of the Rules, and performed negligence in processing without adequate quality controls a residential mortgage loan containing a fraudulent appraisal in violation of Section 4-5(i) (2) of the Act, and is in further violation of Section 4-5(i) (11) and (17) of the Act.

ORDER

NOW THEREFORE IT IS HEREBY ORDERED:

- 1. That Appex Financial Group, Inc. d/b/a Appex Discount Mortgage, Inc., License No. MB.6760088, shall be and hereby is assessed a fine of \$25,000 for violating the provisions of the Act and Rules cited herein;
- 2. The total fine in the amount of \$25,000 shall be due thirty (30) days after the effective date of this Order upon Appex Financial Group, Inc. d/b/a Appex Discount Mortgage, Inc. and
- 3. The fine in the amount of \$25,000 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: FISCAL DIVISION, 2ND FLOOR
320 W. Washington Street
Springfield, IL 62786

ORDERED THIS 7^{TH} DAY OF MAY 2007

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION DEAN MARTINEZ, SECRETARY

DIVISION OF BANKING

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 and, if so requested, 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.*].