

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

IN THE MATTER OF

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No. 2007-MBR-144

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**DIVERSIFIED MORTGAGE CORPORATION**

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ATTN: Edward A. Phlaum

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21 N. Skokie Highway, Suite G6

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Lake Bluff, IL 60044

**ORDER ASSESSING FINE**

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (the "Department"), having conducted a review of activities conducted by Diversified Mortgage Corporation, 21 N. Skokie Highway, Suite G6, Lake Bluff, Illinois, 60044, (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 of the Act. The Department makes the following:

**FINDINGS**

1. That Diversified Mortgage Corporation, is an Illinois residential mortgage licensee holding license number MB.0004135 and located at 21 N. Skokie Highway, Suite G6, Lake Bluff, Illinois, 60044;
2. That on October 24, 2006, the Department conducted an examination of Licensee and the examiner found several violations including funding and servicing a minimum of six (6) Illinois residential mortgage loans without appropriate notification to the Department of Licensee's change from solely mortgage brokering activities to add said mortgage banking activities, as well as failure to maintain the requisite fidelity bond coverage for the conduct of mortgage banking activities;
3. That on June 28, 2007, the Department sent to Licensee a Report of Examination and Letter of Supervision via U.S. first-class mail service;
4. That on July 31, 2007, the Department held a scheduled supervisory meeting with Licensee to discuss the examination findings and received a written response from Licensee along with steps of corrective measures;

5. That on August 1, 2007, the Department sent to Licensee a supervisory letter via U.S. first-class mail service with a response due date of August 22, 2007;
6. That the Department's findings as to the improper performance by Licensee of mortgage banking from the report of examination as cited in item #3 above was referred for enforcement and a Potential Disciplinary Letter was sent to Licensee on September August 27, 2007 via U.S. first-class mail service and certified mail;
7. A signed receipt card evidencing receipt of such delivery was received by the Department on October 5, 2007; and
8. That the Department has received no response to the letter sent to Licensee via U.S. first-class mail service and certified mail.

### **CONCLUSIONS**

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

That notwithstanding notices and other efforts by the Department, Licensee performed mortgage banking activities of funding and servicing loans as referenced in the Department's report of examination and cited herein and thereby committed violations of Sections 2-4(s), 3-1, and 4-5(i)(17) of the Act.

### **ORDER**

NOW THEREFORE IT IS HEREBY ORDERED:

1. That Diversified Mortgage Corporation, License No. MB.0004135 shall be and hereby is assessed a fine in the amount of \$3,000;
2. The fine in the amount of \$3,000 shall be paid no later than thirty (30) days after service of this Order upon Diversified Mortgage Corporation; and
3. The fine in the amount of \$3,000 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, 2<sup>ND</sup> FLOOR  
320 W. Washington Street  
Springfield, IL 62786**

ORDERED THIS 29<sup>TH</sup> DAY OF NOVEMBER, 2007

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
DEAN MARTINEZ, SECRETARY

DIVISION OF BANKING  
JORGE A. SOLIS, DIRECTOR

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REYNOLD M. BENJAMIN  
Assistant Director, Bureau of Residential Finance

**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 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.*].**