

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

IN THE MATTER OF:)
)
PROTECTA HOME LOANS, INC.) No. 2007-MBR-24
License No. MB.0004142)
ATTN: Eliseo Carrillo, Jr.)
710 W. 31st St.)
Chicago, IL 60606)

CONSENT ORDER

The Department of Financial and Professional Regulation, Division of Banking, of the State of Illinois (hereinafter referred to as the “Department”) and Protecta Home Loans, Inc. (hereinafter referred to as “Protecta”) hereby enter into this Consent Order (hereinafter referred to as the “Consent Order”) and stipulate, admit and agree pursuant to the Residential Mortgage License Act of 1987 (the “RMLA”) [205 ILCS 635] and the rules promulgated thereunder (the “Rules”) [38 Ill. Adm. Code 1050] to the following:

STIPULATIONS AND ADMISSIONS

The Department and Protecta stipulate that Protecta is currently in supervisory review for findings of violations made by the Department in its last regular examination conducted in March 2006. The Department and Protecta stipulate that Protecta committed violations of the RMLA and the Rules, including, but not limited to, the following:

1. Net Worth, Financial Statements & Income Taxes

Protecta did not file annual financial statements verifying the required minimum net worth for the fiscal year ended December 31, 2003. Furthermore, Protecta did not timely file annual financial statements verifying the required minimum net worth for the fiscal years ending December 31, 2004 and December 31, 2005 as required by the Department. The Department and Protecta stipulate that Protecta has filed its financial statement for the fiscal year ending December 31, 2006 with the Department and has filed income tax returns for

calendar years 2003, 2004 and 2005 and a request for extension for calendar year 2006.

2. Continuing Education Requirements for Loan Originators

Protecta failed to provide documentation for continuing education for the following Loan Originators for the year 2004 and 2005 that had either no continuing education or not the required amount: Carmona, Porras and Wober. Protecta failed to provide documentation for continuing education for the following Loan Originators for the year 2005 that had either no continuing education or not the required amount: Aceves, Camacho, Flores and Salgado.

3. Registration of Loan Originators

Protecta allowed 37 loan originators to originate 211 loans for the following dates of without the Loan Originator having the appropriate registration at the time the loan application was taken, as follows:

(i) No Provisional Registration at Time Application was Taken:

| <u>Loan Originator</u> | <u>Loan Application Date</u> |
|-------------------------------|--|
| Amezcuca, Felipe | 07/17/04, 09/20/04; |
| Baez, Digna | 05/09/05; |
| Barraza, Maria | 08/28/04, 10/02/04, 03/15/05, 05/26/05; |
| Chavez, Robin | 04/05/05, 05/10/05, 06/22/05; |
| Chavez, Sara | 05/13/05; |
| Flores, Lizbeth | 07/13/04, 08/11/04, 10/02/04, 10/06/04; |
| Fuentes, Miguel | 11/27/04; |
| Garcia, Arturo | 07/12/04, 08/05/04, 08/10/04; |
| Granados, Antonio | 05/11/05, 05/15/05, 06/02/05, 06/02/05, 06/02/05; |
| Hernandez, Laura | 01/29/05, 02/11/05; |
| Lezama, Daniel | 03/07/05, 04/06/05, 04/09/05, 04/09/05, 04/28/05; |
| Luna, Rafael | 07/20/04, 07/20/04, 7/28/04, 09/04/04; |

| | |
|--------------------------|--|
| Mecina, Oscar | 07/14/04, 08/17/04, 09/04/04, 11/04/04, 06/15/05; |
| Mendez, Juan M. | 07/02/04, 10/17/04, 10/18/04, 10/21/04, 10/31/04, 11/01/04, 11/16/04, 11/22/04, 12/01/04, 12/31/04, 01/10/05, 01/25/05, 01/29/05, 02/12/05, 02/22/05, 02/23/05, 03/16/05, 03/16/05, 04/06/05, 04/25/05, 04/26/05, 05/10/05, 05/25/05, 06/04/05, 06/04/05, 06/18/05, 06/21/05, 06/21/05, 06/28/05; |
| Moreno, Raffael | 04/18/05; |
| Munoz, Fernando | 09/22/04, 10/21/04; |
| Sanchez, Karina | 09/01/04; |
| Sobrevilla, Oscar | 05/18/05, 05/18/05, 06/15/05; |
| Tristan, Juan E. | 08/13/04; |
| Uriquiza, Eva | 05/09/05; |
| Vasquez, Angeles | 07/13/04, 07/31/04, 04/20/05, 04/23/05, 05/13/05, 05/13/05, 05/27/05; |
| Vasquez, Rodolfo | 07/10/04, 08/23/04, 08/23/04; |
| Wlises, Leon | 07/10/04; |

(ii) **No Permanent Registration at Time Application was Taken:**

| <u>Loan Originator</u> | <u>Loan Application Date</u> |
|-------------------------------|---|
| Amezcuca, Felipe | 10/20/05, 10/23/05; |
| Avilez, Maria | 07/08/05; |
| Baez, Digna | 09/27/05; |
| Carmona, Maria | 07/01/05, 07/01/05, 07/05/05, 07/12/05; |
| Carrillo, Perfecto | 08/24/05; |
| Castro, Daniel | 08/05/05; |
| Chavez, Jose | 07/6/05, 07/11/05, 07/11/05, 08/02/05, 08/22/05, 09/26/05, 09/26/05, 10/10/05, |

| | |
|----------------------------|--|
| | 10/10/05, 10/11/05, 10/12/05, 11/19/05; |
| Chavez, Robin | 07/18/05, 07/28/05, 08/02/05, 08/18/05, 08/30/05, 09/02/05, 09/19/05, 09/19/05, 09/23/05, 10/05/05, 01/05/06; |
| Escobedo, Gabriel | 07/12/05; |
| Fuentes, Miguel | 07/09/05, 07/13/05, 07/14/05, 07/27/05, 07/28/05, 07/30/05, 09/13/05, 09/19/05, 09/24/05, 09/24/05, 09/24/05, 10/12/05, 10/25/05, 11/02/05; |
| Garcia, Sandra | 08/04/05, 08/22/05, 08/26/05, 09/06/05, 09/13/05, 09/13/05, 09/13/05, 09/14/05, 09/16/05, 09/19/05, 09/21/05, 09/29/05, 10/04/05, 10/04/05, 10/12/05, 10/13/05, 10/13/05, 10/25/05, 11/19/05, 12/01/05, 12/29/05, 12/30/05; |
| Guzman, Daniel | 07/11/05, 07/23/ 05, 07/26/05; |
| Hernandez, Laura | 11/07/05; |
| Hernandez, Lysander | 12/18/05; |
| Luna, Rafael | 09/17/05; |
| Mendez, Juan M. | 07/16/05, 07/16/05, 07/24/05; |
| Mollinedo, Edgar | 07/25/05, 07/25/05, 08/12/05, 08/26/05, 08/26/05, 09/24/05, 10/21/05; |
| Porras, Maria | 07/05/05, 07/07/05, 07/09/05, 07/09/05, 07/10/05, 07/10/05, 07/11/05, 07/21/05, 08/02/05, 11/09/05; |
| Sobrevilla, Oscar | 08/19/05, 08/26/05, 08/26/05, 09/27/05, 11/14/05; |
| Tristan, Juan E. | 08/09/05, 08/14/05, 08/15/05, 08/15/05, 10/24/05; |
| Uriquiza, Eva | 09/7/05, 09/07/05, 09/07/05, 10/08/05, 10/08/05; |
| Valdez, Lilia | 07/06/05, 07/08/05, 07/21/05; |

Vasquez, Angeles 10/04/05;

Wober, Christopher 07/11/05, 08/08/05, 10/17/05, 10/25/2005.

(iii) **Originated Loans for Protecta but Protecta was not the Registered Sponsor:**

Salgado, Agustin 11/25/04, 02/02/05, 02/15/05.

The Department will stipulate to the fact of the thirty loan originator employees cited by the Examination Report as being improperly terminated, sixteen continue to be employed by Protecta and the other fourteen were properly terminated.

4. Consumer Complaint Review

The Department stipulates that there are no unresolved consumer complaint issues pending with Protecta.

TERMS AND CONDITIONS

WHEREFORE, the Department and Protecta agree as follows:

- I. Department places Protecta on probation for a period of six (6) months pursuant to RMLA Section 4-5(h)(3) and subject to reasonable conditions which may include examinations, reports, and other measures to be undertaken by the Department at the Department's determination and with Protecta to reimburse the Department for said expenses. The Department shall verify that Protecta is maintaining and documenting minimum net worth to the Department's satisfaction under the RMLA and Rules, including, but not limited to, a review of Protecta's financial audits or statements for the fiscal year ending December 31, 2006. The Department shall issue a final report to the Director of the Division of Banking, with a copy provided to Protecta for comment, at the end of the probationary period identifying corrective actions taken by Protecta and making recommendations and findings based upon this probationary review.

- II. Department imposes on Protecta pursuant to this Consent Order a fine of thirty thousand dollars (\$30,000) pursuant to RMLA Section 4-5(h)(5) for all violations cited by the Department and admitted to by Protecta under Stipulations and Admissions.
- III. Protecta agrees to fully comply with the Department's conduct of probationary examination and review, to provide acceptable financials to the Department, and the employment solely of loan originators registered with the Department; in the event that Protecta fails to so comply with this Consent Order, the Department shall suspend or revoke Protecta's license and may take separate disciplinary action for other violations arising of the RMLA and Rules during the course of the probationary period.
- IV. Protecta waives any right to file any petition for administrative hearing or other appeal of this Consent Order. Protecta acknowledges that it has been represented by legal counsel in negotiating this Consent Order, and that it willingly enters into this Consent Order, upon advice of counsel, and after full review, evaluation, and consideration and with full knowledge of its rights under the RMLA and Illinois Administrative Procedure Act.
- V. The Department enters into the Consent Order for the purpose of imposing measures that are fair and equitable in the circumstances and that are consistent with the best interests of the people of the State of Illinois.
- VI. The Consent Order shall become effective upon all the parties hereinafter designated signing and dating the Consent Order and on the date that the last of those designated for the Department sign and date the Consent Order.

The foregoing Consent Order is approved in full.

By _____ date: _____

Eliseo Carrillo, Jr.
Protecta Home Loans, Inc.

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DEAN MARTINEZ, SECRETARY

DIVISION OF BANKING

By _____ date: June 4, 2007