

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF:

NKA FINANCIAL, LTD.)	ORDER TO CEASE
Attn: Chandra L. Klem)	AND DESIST
151 N. Michigan Ave., Suite 1816)	
Chicago, IL 60601)	2007-MBR-CD2

ORDER TO CEASE AND DESIST

The Director of the Department of Financial and Professional Regulation, Division of Banking of the State of Illinois (hereinafter called the "Director" or the "Division") hereby issues to NKA FINANCIAL, LTD. this ORDER TO CEASE AND DESIST (the "Order"). This Order is authorized by and issued pursuant to the provisions of Sections 1-3 (d-1) and 4-1 (h-1) of the Residential Mortgage License Act of 1987 [205 ILCS 635] (the "Act").

FINDINGS OF FACT

The Director makes the following Findings of Fact:

1. The Division received an initial complaint and second complaint during the months of October and November, 2007 that NKA Financial, Ltd. ("NKA") was holding itself out to consumers and regulated entities as a residential mortgage brokerage company and conducting various brokerage activities without holding an Illinois residential mortgage license as required by the Residential Mortgage License Act of 1987 (the "Act") [205 ILCS 635];
2. The Division commenced an investigation upon receiving the initial complaint and incorporated within the second complaint, and the Division's investigators found that Chandra L. Klem ("Klem") was advertising and holding forth to consumers, regulated entities, and at an industry tradeshow, that she was President and Area Manager for NKA Financial, Ltd., a full service broker, located at 151 N. Michigan Avenue, Suite 1816, Chicago, Illinois 60601;
3. The Division's investigators further found that Klem had brought residential mortgage loans brokered through NKA to an Illinois residential mortgage licensee (the "Licensee") for closing the loans (although the Licensee refused the loans when Klem was unable to

- produce a valid loan originator registration, among other things);
4. The Division's investigators made repeated attempts to contact Klem, and through property managers determined that NKA's business location was an extended stay residential or hotel rental unit and that Klem failed to speak with the Division's investigators or provide any information on NKA's activities; and
 5. The Division's investigators issued reports of investigation (the "ROI") containing additional details of the investigation and raising further concerns as to NKA and its operation by Klem, for whom investigators confirmed recent action had been taken by the Kane County Sheriff on matters unrelated to NKA, but pertinent to consumer and industry protection under the Act by the Division.

CONCLUSIONS OF LAW

Based on the above Findings of Fact, the Director makes the following Conclusions of Law:

1. NKA has violated Section 1-3 of the Act in conducting loan brokerage activities without an Illinois residential mortgage license and without using registered loan originators as required in Sections 2-4(x) and 7-1 of the Act; and
2. The Director has reasonable cause to believe that an unsafe, unsound, or unlawful practices has occurred, is occurring, or is about to occur with respect to NKA pursuant to Sections 1-3 (d-1) and 4-1 (h-1) of the Act.

NOW THEREFORE IT IS HEREBY ORDERED:

NKA, and by and through its owners, officers, directors, employees, and agents, shall immediately cease and desist from conducting loan brokerage activities or any other licensable activities under the Act, including holding itself out to the public, regulated entities, or others that is available to provide said activities;

ORDERED THIS 12th OF DECEMBER, 2007

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION,
DIVISION OF BANKING of the State of Illinois;
DEAN MARTINEZ, SECRETARY

DIVISION OF BANKING
JORGE A. SOLIS, DIRECTOR

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 a hearing held after the receipt by the Department of Financial and Professional Regulation, Division of Banking 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.*].