

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

IN THE MATTER OF: )  
 )  
 ) No. 2008-MBR-144  
**GATEWAY MORTGAGE GROUP, LLC** )  
License No. MB.6760139 )  
Attention: J. Kevin Stitt )  
6910 E. 14<sup>th</sup> Street )  
Tulsa, OK 74112 )

**ORDER REVOKING LICENSE**

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (the “Department”), having investigated the licensable activities of Gateway Mortgage Group, LLC (“Gateway”) and 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) (1) of the Act. The Department makes the following:

**FINDINGS**

1. That Gateway Mortgage Group, LLC is an Illinois residential mortgage licensee holding license number MB.6760139 (the “License”) and located at 6910 E. 14<sup>th</sup> Street, Tulsa, Oklahoma 74112;
2. That on October 7 2008, the Department opened an investigation into an alleged real estate, appraisal, and mortgage fraud scheme involving KMA Construction, LLC, LMB Properties, LLC (under common ownership with KMA Construction, LLC), appraiser Peter Petrovich (“Petrovich;” License No. 556.0003324), and other involved parties, occurring at 2754 W. Washington Boulevard, Chicago, Illinois and at 7322 N. Winchester, Chicago, Illinois;
3. That the Department’s investigative unit opened the investigation on October 7, 2008 by interviewing Pawel Janowicz (“Janowicz;” Registration No. 031.0007044), a loan originator employed by Gateway and working under its License;
4. That Janowicz was interviewed first regarding his supervision and employment by Gateway and, based upon Janowicz’s information, Department investigators determined Janowicz had been employed by Gateway for a little more than two years, working out of his home and representing himself as a branch manager for Gateway, and had been dealing with consumers in Illinois directly and ordering his own appraisals using Gateway’s License;

5. That based upon Janowicz's interview, Department investigators found that Janowicz and Gateway had engaged in improper and/or incomplete activities in relation to a \$310,000 loan transaction closed on March 14, 2008 for Unit 2E at 2754 W. Washington ("Unit 2E") including, but not limited to:
  - a. Janowicz only knew the person who referred the borrower to him as "Marcos" although Janowicz worked with Marcos on more than one-half of the 7-9 loans he originated for Gateway in 2008;
  - b. Janowicz accepted multiple referrals from Marcos, but did not question or seek any information about Marcos' relationship to KMA Construction, the owner/seller of Unit 2E, nor to LMB Properties, the recipient of a substantial real estate commission at the settlement of the Unit 2E loan;
  - c. Janowicz failed to question or seek any information about the Unit 2E borrower's application for an owner-occupied loan for Unit 2E, although the Unit 2E borrower owned multiple residential properties;
  - d. Janowicz, through Gateway's License, ordered an appraisal report from Petrovich for Unit 2E; however, Petrovich's appraisal for Unit 2E was completed on January 16, 2008, or 5 days before Janowicz took the loan application for Unit 2E;
  - e. Janowicz failed to explain why the loan transaction was allowed to go forward with the appraisal report since problems were called to Janowicz's attention by a lender (who rejected the submitted appraisal report) and Petrovich admitted to Janowicz that "he had cloned over an appraisal he previously performed in the same building and forgot to make some edits;"
  - f. Janowicz told the Department that he never used Petrovich as an appraiser prior to the Unit 2E loan transaction, yet the appraisal reports for all of the Marcos-related deals were completed by Petrovich;
  - g. Janowicz supplied verification of employment documentation to Department investigators for the Unit 2E borrower purportedly faxed by the employer to Janowicz, but altered on its face to remove identifying sender and fax number information;
  
6. That on October 10, 2008, a Department investigator visited Gateway's branch office located at 980 N. Michigan Avenue, Chicago, Illinois (License No. MB.6760139-002) and that the Department investigator determined that the branch office was a virtual office suite lacking proper signage and staffing to answer consumer questions, and that the branch manager who was not present at the time of the visit failed to return a telephone call placed by the Department investigator.

## **CONCLUSIONS**

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

That notwithstanding notices and other efforts by the Department, Gateway conducted business through improper representations and advertising, conducted business through improper and/or unlicensed branch locations, and engaged in fraud, misrepresentation, deceit or negligence in a mortgage financing transaction;

Gateway's conduct is in violation of Sections 1-3(b) & (f), and 4-5 (a) (1) & (i) (2) of the Act and Sections 1050.340, 1050.350, 1050.910, and 1050.940 of the Rules, and is in further violation of Sections 4-5(i) (11) and (17) of the Act.

**ORDER**

NOW THEREFORE IT IS HEREBY ORDERED that the license of GATEWAY MORTGAGE GROUP, LLC, License No. MB.6760139 is revoked by Order of the Department pursuant to Section 4-5(h) (1) of the Act 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 Act and Subpart N of the Rules, including remitting the hearing fee required by Section 1050.210 of the Rules.

ORDERED THIS 24<sup>TH</sup> DAY OF NOVEMBER, 2008

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
DEAN MARTINEZ, SECRETARY

DIVISION OF BANKING

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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, 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.*].**