

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

IN THE MATTER OF: )  
)  
) No. 2008-MBR-50  
**WATERFALL MORTGAGE CORPORATION** )  
**ATTN: Ivica I. Lazich** )  
7915 Ogden Avenue )  
Lyons, IL 60534 )

**ORDER REVOKING LICENSE**

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking, (the “Department”), having conducted an examination of the facts related to Waterfall Mortgage Corporation, 7915 Ogden Avenue, Lyons, Illinois, 60534, (the “Licensee”), and having found that the Licensee committed a violation of the Residential Mortgage License Act of 1987 [205 ILCS 635] (the “Act”), and of the rules promulgated under the Act [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 Waterfall Mortgage Corporation, is an Illinois residential mortgage licensee holding license No. MB.0007003 and located at 7915 Ogden Avenue, Lyons, Illinois, 60534;
2. That on September 8, 2005, the Department conducted an examination of Licensee and the examiner found net worth and other violations that were referred to Supervision;
3. That on December 29, 2006, the Department requested a scheduled supervisory meeting with Licensee to be held on January 24, 2007, covering the Report of Examination and Letter of Supervision;
4. That on January 24, 2007, the supervisory meeting was held with Licensee and the Department and that Licensee was given written due dates of February 16, 2007 and February 23, 2007, to provide the Department with quarterly financial information and other documentation;
5. That on March 5, 2007, the Department sent to Licensee an additional letter via U.S. first-class mail service advising Licensee of its February 14, 2007, phone call to the Department requesting an extension to file a response, the Department requested that

Licensee put said request in writing and the Department not receiving such written request, that Licensee was then given a written due date of March 15, 2007;

6. That on March 21, 2007, the Department received a written response from Licensee;
7. That on March 27, 2007 the Department sent to Licensee an additional letter via U.S. first-class mail service advising Licensee that the Department had reviewed it response and that Licensee was given written due dates of March 31, 2007 and April 18, 2007, to provide the Department with quarterly financial information and other documentation;
8. That on April 19, 2007, the Department granted Licensee's request for an additional extension until May 9, 2007;
9. That on May 10, 2007, the Department received a written response from Licensee;
10. That on May 11, 2007 the Department sent to Licensee an additional letter via U.S. first-class mail service advising Licensee that the Department had reviewed it response and that Licensee was given written due dates of May 20, 2007 and August 13, 2007, to provide the Department with quarterly financial information and other documentation;
11. That on May 21, 2007, the Department received a written response letter dated May 18, 2007 from Licensee;
12. That on August 23, 2007 the Department sent to Licensee sent an additional letter via U.S. first-class mail service advising Licensee that the Department had not received the requested quarterly financial information and other documentation and a written due date of August 30, 2007 was given;
13. That on August 31, 2007 the Department sent to Licensee sent an additional letter via U.S. first-class mail service advising Licensee that the Department had not received the requested quarterly financial information and other documentation and a written due date of September 7, 2007 was given;
14. That on September 6, 2007, Licensee advised the Department in a phone call that it would be surrendering the License and the Department extended the written due date to October 7, 2007 for proof of surrender;
15. That on January 9, 2008, the Department referred the matter to Enforcement as Licensee never started the surrender process;
16. That the Department sent to Licensee a Potential Disciplinary Letter on February 26, 2008, via U.S. first-class mail service and certified mail, notifying Licensee of its failure to maintain proof of net worth compliance and failure to make timely response to a supervisory letter; and
17. That Waterfall Mortgage Corporation, failed to claim the Department's Potential Disciplinary Letter and it was returned to the Department on March 17, 2008.

## **CONCLUSIONS**

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

1. That notwithstanding notices and other efforts by the Department, Licensee failed to maintain net worth, and responded to supervisory letters and deadlines and accept Department correspondence; and
2. That Licensee is in violation of Sections 2-4(d)(t), 3-5, 4-1(b)(r) and 4-2(b) of the Act, and Rules Section 1050.410 of the Rules, and is in further violation of Section 4-5(i)(11) and (17) of the Act.

## **ORDER**

NOW THEREFORE IT IS HEREBY ORDERED that the license of **WATERFALL MORTGAGE CORPORATION**, License No. MB.0007003 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 RMLA and Subpart N of the Rules, including remitting the hearing fee required by Section 1050.210 of the Rules.

ORDERED THIS 14<sup>TH</sup> DAY OF APRIL, 2008

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, 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 by the Department of Financial and Professional Regulation, Division of Banking on the administrative decision. Absent 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.*].**