

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

IN THE MATTER OF:)
) No. 2008-MBR-52
MILESTONE MORTGAGE SOLUTIONS, INC.)
License No. MB.0006575)
Attn.: Michael J. Teppen)
9205 South Route 31)
Lake in the Hills, IL 60156)

CONSENT ORDER

The Department of Financial and Professional Regulation, Division of Banking, of the State of Illinois (the “Department”) and Milestone Mortgage Solutions, Inc. (the “Licensee”) hereby enter into this Consent Order (the “Consent Order”) and stipulate, admit and agree to the following:

STIPULATIONS AND ADMISSIONS

- 1) On or around October 16, 2007, the Department received a complaint about a copy of an advertisement flier that was in circulation indicating that Licensee had an unlicensed office operating out of 1315 Macom Drive, Naperville, Illinois (the “Office”) and with the name of Christopher Koelbl (“Koelbl”), an unregistered loan originator (Registration Number 031.0012657 and inactive-expired on June 30, 2006);
- 2) On October 24, 2007, a Department investigator contacted Koelbl was informed by Koelbl that he had been employed by Licensee since July 2007, that Koelbl had created the advertisement and listed the Office space in Naperville and that the Office was the created by the Licensee renting desk space within the offices of Chase Realty Group (with whom Licensee had an ongoing business relationship) located at that Naperville address;

- 3) During the October 24, 2007 interview, Koelbl further admitted to the Department investigator that on behalf of the Licensee, Koelbl scheduled office appointments with clients, took mortgage applications and originated loans from the Office, and in response to being informed of the expired status of his loan originator registration, stated that he had applied to the Department for a transfer as well as his renewal, but had not heard back from the Department.
- 4) On October 24, 2007, the Department investigator interviewed the Licensee through its contact person, Michael J. Teppen (“Teppen”) and was informed that Koelbl worked for the Licensee, but stated that the Licensee was not aware of the existence of the flier and would not have allowed its distribution using the Naperville address which was not intended as a full service office and that Teppen only recently became aware of Koelbl’s loan originator registration was expired although it was believed that the requisite paperwork and fees had been submitted to the Department;
- 5) On November 5, 2007, the Department investigator received a copy of Licensee’s loan log for 2006 and 2007 and confirmed that Koelbl had originated eleven (11) mortgage loans files between July 24, 2007 and September 11, 2007 without having a valid loan originator registration;
- 6) On November 14, 2007 and November 19, 2007, the Department investigator made an inquiry of the Department’s Licensing Section as to the status of any renewal and transfer applications on the part of Koelbl and was advised that Koelbl submitted a renewal application and fee after the deadline of June 30, 2007 (one year after Koelbl’s registration expired on June 30, 2006) and was unable to process the renewal, and further that the Department had no record of an application to transfer his registration from a former employer to Licensee;

- 7) The Department investigator prepared the findings in a Report of Investigation (the "ROI") and the ROI was forwarded to the Legal Section for enforcement on February 13, 2008;
- 8) The Department mailed a Potential Discipline Letter to Licensee on February 15, 2008 and Licensee responded on March 6, 2008 in writing through its attorney by letter dated February 20, 2008; and
- 9) The Department and Finasure now enter into the Consent Order to resolve all matters and findings pertaining to the aforementioned investigation and enforcement issue opened against the Licensee by the Department.

TERMS AND CONDITIONS

WHEREFORE, the Department and Finasure agree as follows:

- I. The Department imposes a fine of eight thousand dollars (\$8,000) on Milestone Mortgage Solutions, Inc. pursuant to its authority under Section 4-5(h)(5) of the Act for employing an unregistered loan originator (Koebel) who performed loan originator activities under its License prior to their issuance of a certificate of registration by the Department, and for advertising and using an office location for licensable activities which was not registered as an additional full service office with the Department.
- II. Licensee agrees to cease and desist from conducting any licensable activities at offices not registered with the Department.
- III. Licensee agrees to submit its \$8,000 payment to the Department within 30 days of final approval of the Consent Order.
- IV. Licensee agrees to waive any right to file any petition or other appeal of this Consent Order. Licensee 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 Act and Rules 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 Department as the last of those designated signs and dates the Consent Order.

The foregoing Consent Order is approved in full.

_____ date: _____
Michael J. Teppen
MILESTONE MORTGAGE SOLUTIONS, INC.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DIVISION OF BANKING
JORGE A. SOLIS, DIRECTOR

_____ date: April 10, 2008
REYNOLD M. BENJAMIN
Assistant Director, Bureau of Residential Finance