

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

IN THE MATTER OF: )  
 )  
 ) No. 2008-MBR-66  
APEX LENDING, INC. )  
License No. MB.6759648 )  
10300 49<sup>th</sup> Street N )  
Clearwater, FL 33762 )

**ORDER ASSESSING FINE**

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (the “Department”), having investigated activities conducted by Apex Lending, Inc. (the “Licensee”) and having 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)(5) of the Act. The Department makes the following:

**FINDINGS**

1. That on or around January 11, 2008, the Department received a complaint about a deceptive residential mortgage financing advertisement published in a Korean Language publication on January 10, 2008 (the “Advertisement”) listing an unlicensed additional full service office operating at 1701 E. Lake Avenue, Suite 405, Glenview, Illinois (the “Office”) and that the Advertisement listed “Billy Huh, Managing Director”, and “Sean Kim, Loan Originator”;
2. That the Department was advised that the Advertisement listed the name “Challenge Financial Investment Corporation (“CFIC”); however, upon Department personnel placing a telephone call to the telephone number listed in the Advertisement, the voicemail identified the company as Apex Lending (the Licensee);
3. That on January 29, 2008, the Department opened a formal investigation of the Advertisement and Licensee; an initial review of the Department’s licensing and registration records revealed that Bill Huh (“Huh”) (Loan Originator Registration No. 031.000150) and Yoo Il (Sean) Kim (“Kim”) (Loan Originator Registration No. 031.0020858) were registered to Licensee, but at Licensee’s corporate office in Florida and that Licensee did not hold a license for the Office;

4. That on February 19, 2008, a Department investigator conducted an on-site visit to the Office and after observing signage for CFIC on the directory, proceeded to the Office where the investigator interviewed Huh who stated that he had formerly been a branch manager at the Office for CFIC, but that he had been operating as Apex Lending at the Office since early fall 2007; Huh further stated during the interview that Huh and Kim, a second loan originator, had transferred their loan originator registrations from CFIC to Apex Lending at that time;
5. That the Department investigator thereafter contacted Licensee's corporate office for a copy of the additional full service office license at the suggestion of Huh who was unable to produce a license for the Office at the time of the interview, and that on February 25, 2008, Licensee sent an email that the license for the Office could not be located and that it had advised Huh to close the Office this week and to be transferred to another branch office;
6. That on February 25, 2008, the Department investigator received from Huh a copy of the lease and amendment to the Lease for the Office between lessor and CFIC, and a listing of three residential mortgage loan files prepared for Licensee at the Office for borrower Kwon (loan originator was Huh), and for borrowers Bae and Hwang (loan originator was Kim, loans closed on October 25, 2007 and November 15, 2007, respectively); copies of the Bae and Hwang loan files were provided to the Department investigator at that time; further the Licensee provided a loan log on February 26, 2008 showing only two residential mortgage loans originated from the Office for borrowers Kwon (pipeline report status) and Suk (funded and closed status) with consistent information only as to taking of the Kwon loan application;
7. That the Department investigators filed a Report of Investigation (the "ROI") and referred the matter to the Legal Section for enforcement and that the Department mailed potential disciplinary letters to Licensee dated April 2 and April 28, 2008 and received written responses to each letter from Licensee on April 21 and May 30, 2008;
8. That the Department has reviewed the ROI and Licensee's responses, including a loan log provided with Licensee's second response showing four loans (for borrowers Hwang, Kwon, Bae, and Suk) originated by Huh and Kim from the Office as well as statements by Licensee regarding licensing circumstances pertaining to the Office and the transfer of former CFIC loan originators in 2007; however, Licensee is unable to provide documentation that Licensee filed a license application for the Office and, moreover, the Department's records show that the Department never issued an additional full service office license to Licensee to perform licensable activities from the Office.

## **CONCLUSIONS**

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

That notwithstanding notices and other efforts by the Department, Licensee has violated Section 2-8 of the Act and Section 1050.350 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:

1. That Apex Lending, Inc., License No. MB.6759648, shall be and hereby is assessed a fine of \$10,000 which shall be due thirty (30) days after the effective date of this Order; and
2. The fine in the amount of \$10,000 shall be paid by means of a certified check or money order made payable to the:

**Department of Financial and Professional Regulation  
Division of Banking  
ATTN: FISCAL DIVISION, 2<sup>ND</sup> FLOOR  
320 W. Washington Street  
Springfield, IL 62786**

ORDERED THIS 26<sup>TH</sup> DAY OF JUNE, 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. A hearing shall be held within 30 days 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.*].**