

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

IN THE MATTER OF:)
)
) No. 2008-MBR-76
iFREEDOM DIRECT CORPORATION)
License No. MB.0005919)
Attention: Toni Petrie)
2363 S. Foothill Drive)
Salt Lake City, UT 84109)

ORDER ASSESSING FINE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (the “Department”), having investigated activities conducted by iFreedom Direct Corporation (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 iFreedom Direct Corporation is an Illinois residential mortgage licensee holding license No. MB.0005919 and located at 2363 S. Foothill Drive, Salt Lake City, Utah 84109;
2. That on February 21, 2008, the Department received a complaint alleging a violation by Michael Jones (“Jones”), an unregistered loan originator working for Licensee;
3. That the Department opened an investigation into the complaint and a Department investigator (the “Investigator”) confirmed initially that Jones’ loan originator registration had lapsed August 21, 2007;
4. That the Investigator contacted the Licensee regarding the complaint, and the borrower for the Illinois residential mortgage loan that was the subject of the complaint (the “Borrower”);
5. That during a March 3, 2008 telephone interview by the Investigator, the Borrower stated that the Borrower had been contacted by Jones in response to posting Borrower’s loan information on-line, and that Jones had taken Borrower’s W2, bank statement, and rental

information over the telephone in order to verify income and employment, and further that Jones had quoted a rate of 5% for a 30-year fixed rate mortgage loan;

6. That the Borrower further told the Investigator that the Borrower had again contacted Jones and demanded that Jones provide his rate quote in writing; however, the Borrower noted that the name of the loan originator on a Good Faith Estimate provided by Licensee was not Jones, but the name of another person;
7. That the Borrower further stated that Borrower had asked Jones about the different name and been told by Jones that Jones was not licensed in Illinois and that the name on the form was that of his boss, and that the Borrower stated to the Investigator that the Borrower never had contact with anyone but Jones;
8. That the Investigator next conducted a telephone interview of Jones who briefly told the Investigator that Jones had done paperwork and printed papers and mailed them out via FedEx to assist Eric Prosienski ("Prosienski") (Loan Originator Registration 031.0010384); however, the Investigator was then referred for further response to Licensee and its corporate counsel;
9. That the Investigator proceeded to collect documentation for the Borrower's loan and written response from the Licensee, and that among the items collected were e-mail communications between Jones and the Borrower related to the loan application, rate and terms, and a sample rate lock confirmation with Jones' name and signature as "Loan Officer, and further that the loan application was signed by Prosienski as interviewer, rather than Jones which is inconsistent with the Act and Rules based upon the evidence of the activities performed by Jones with the Borrower;
10. That on April 29, 2008, the Investigator compiled a Report of Investigation (ROI) including finding violations for loan originator practices, loan application procedures, and averments and referred the ROI to Legal Section for enforcement; and
11. That on June 17, 2008, the Department sent by U.S. first class and registered return receipt mail a Potential Disciplinary Letter to the Licensee and that the Department has reviewed the ROI, documentation, and responses provided by Licensee and determined that the Licensee committed the violations of the Act and Rules cited herein.

CONCLUSIONS

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

That notwithstanding notices and other efforts by the Department, Licensee is in violation of Sections 2-4 (z) and 7-1 of the Act and Section 1050.1140 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:

1. That iFreedom Direct Corporation, License No. MB.0005919 shall be and hereby is assessed a fine of \$3,000;
2. The fine in the amount of \$3,000 shall be due thirty (30) days after the effective date of this Order upon iFreedom Direct Corporation, and
3. The fine in the amount of \$3,000 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, 2ND FLOOR
320 W. Washington Street
Springfield, IL 62786**

ORDERED THIS 22nd DAY OF JULY, 2008

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

REYNOLD M. BENJAMIN
Assistant Director, Bureau of Residential Finance

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.*].