

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF:)
)
) No. 2008-MBR-80
REEDEN MORTGAGE, LLC)
License No. MB.0006727)
Attention: Raul Marrero)
17W240 22nd Street, Suite 440)
Oak Brook Terrace, IL 60181)

ORDER REVOKING LICENSE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (the “Department”), having reviewed activities conducted by Reeden Mortgage, LLC (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)(1) of the Act. The Department makes the following:

FINDINGS

1. That Reeden Mortgage, LLC is an Illinois residential mortgage licensee holding license number MB.0006727 (the “License”) and located according to Department records at 17W240 22nd Street, Suite 440, Oak Brook Terrace, Illinois 60181;
2. That during the Licensee’s 2007 compliance examination, the Department examiner found numerous violations by the Licensee of the Act and Rules for the examination period of 10/1/2004 to 9/30/2007;
3. That the Department’s examination findings were issued in a Report of Examination (the “ROE”) wherein the Licensee was cited for the following violations: 1) Net Worth Requirement (Act Section 3-5), 2) Annual Audit (Act Section 3-2(g), 3) Loan Brokerage Agreement (Rules Section 1050.1010), 4) Loan Application Procedures (Rules Section 1050.1140) citing Regulation Z (Regulations implementing TILA) (12 C.F.R. 226.1, et seq.), Truth in Lending (Regulation Z) (Part 226), and Regulation X (Rules implementing RESPA) (24 C.F.R. Part 3500, Sec. 3500.7), and 5) Maintenance of Records (Rules Section 1050.1175(a));

4. That the Department thereafter assigned the ROE to Supervision and through this process, the Department continued to find that Licensee had included questionable, and therefore unacceptable, assets on balance sheets through 2007 that if omitted would deem the company out of net worth compliance for three consecutive years (2005, 2006, and 2007);
5. That for its 2007 balance sheet, Licensee listed assets due to Licensee from Intercompany Accounts including for companies either not in good standing or involuntarily dissolved according the records of the Illinois Secretary of State's Office;
6. That upon said "Intercompany Accounts" assets being subtracted from the Licensee's 2007 balance sheet, net worth would be adjusted to \$12,313.14, a deficit of \$37,686.86 per the minimum required net worth of Section 3-5 of the Act; and
7. That Licensee's cited violations of the Act and Rules, and failure to implement decisive corrective actions, at a minimum, places consumers at an unacceptable risk of harm.

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 3-2 and 3-5 of the Act and Sections 1050.410, 1050.1010, 1050.1140, and 1050.1175 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 REEDEN MORTGAGE, LLC, License No. MB.0006727 is revoked by Order of the Department pursuant to Section 4-5(h) (1) of the Act for violations cited herein 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 11TH DAY OF AUGUST, 2008

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DEAN MARTINEZ, SECRETARY

DIVISION OF BANKING

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.*].