

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

IN THE MATTER OF: )  
 )  
 ) No. 2008-MBR-81  
**MDR MORTGAGE CORPORATION** )  
License No. MB.0003154 )  
Attention: Robert S. Luce )  
399-A Quentin Road )  
Palatine, IL 60067 )

**ORDER REFUSING TO RENEW AND REVOKING LICENSE**

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (the "Department"), having reviewed and investigated activities conducted by MDR Mortgage 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 Sections 2-5 and 4-5 of the Act. The Department makes the following:

**FINDINGS**

1. That MDR Mortgage Corporation is an Illinois residential mortgage licensee holding license number MB.0003154 (the "License") and located at 399-A Quentin Road, Palatine, Illinois 60067;
2. That the Department opened an investigation of Licensee based upon an anonymous complaint (Complaint No. 2008-1230, hereinafter the "Complaint") received on or around May 1, 2008 that a person identified as Jeff McClure ("McClure") was originating loans on behalf of Licensee at 114 E. Lake Street, basement level, Bloomingdale, Illinois (the "Office") believed to be an unlicensed branch office location;
3. That a Department investigator (the "Investigator") conducted an on-site visit to the Office on May 6, 2008 and interviewed McClure and another individual Edison Torres ("Torres") identified as the Licensee's branch manager for the Office;
4. That the Investigator obtained evidence during the on-site visit from McClure and Torres that the Office had been in operation for a couple months although no additional full service

office license was present and a license application was only pending with the Department (issued thereafter as MB.0003154-001);

5. That the Investigator obtained further evidence during this on-site visit that Licensee had closed about five loans that were originated from the Office, as well as obtaining further evidence of open pending loan files at the Office;
6. That in relation to these loans, the Investigator obtained evidence that McClure had performed loan originator activities with some of the borrowers, and that Torres had affixed his name or signature to the loan files, this being done due to the fact that only Torres, and not McClure, held an active loan originator certificate of registration with the Department;
7. That subsequent to this on-site visit, the Investigator collected additional loan file, payroll, and other documentation from the Licensee which contain additional evidence of findings of Paragraphs 4 through 6 above, as well as contacting three borrowers who all confirmed that McClure had originated their loan even though Torres' name appears in those borrowers' loan files;
8. That on June 18, 2008, the Investigator filed a final Report of Investigation for the Complaint and referred the matter for enforcement, and that thereafter the Legal Section opened an enforcement issue and mailed Licensee a potential disciplinary letter dated July 21, 2008;
9. That on or around June 20, 2008, the Department received the Licensee's license renewal application for the License which has a lapse or expiration date of August 18, 2008;
10. That in the course of the Department reviewing the Licensee's license renewal application for compliance with the Act and Rules, it came to the Department's attention that Robert S. Luce ("Luce"), the sole owner of Licensee, had filed a plea agreement (the "Plea Agreement") in United States District Court, Northern District of Illinois, Eastern Division, on July 15, 2008 in the case of United States of America vs. Robert Luce (No. 05CR340-5);
11. That by this Plea Agreement signed by Luce, Luce agrees to enter a voluntary plea of guilty to Count Twenty of the indictment, to wit, Count Twenty charges Luce with corruptly and knowingly endeavoring to influence, obstruct, and impede the due and proper administration of law under which a pending proceeding was being held before the Securities and Exchange Commission, in violation of Title 18, United States Code, Section 1505; and
12. That the Department has documented violations by the Licensee of the Act and Rules through its investigation and ROI and the Plea Agreement such that the Department is not able to make the findings in Section 2-2(a) of the Act upon which the original License was issued and if these facts or conditions existed at the time of original application for the License would have warranted the Department to refuse originally to issue the License.

## **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 1-3(f), 2-2(a), 2-3, 2-4(m), (o), (t), & (z), 2-5, 2-8, 4-5(a)(2) and (i)(11) & (17), and 7-1 of the Act and Section 1050.350 of the Rules

**ORDER**

NOW THEREFORE IT IS HEREBY ORDERED that the Department refuses to renew the license of MDR Mortgage Corporation, License No. MB.0003154, and that said license is revoked and fined \$20,000 payable by claim for the full amount of the surety bond maintained by MDR Mortgage Corporation pursuant to Section 3-1 of the Act and Section 1050.490 of the Rules, and that all said actions are by Order of the Department pursuant to Sections 2-5 and 4-5 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 Act and Subpart N of the Rules, including remitting the hearing fee required by Section 1050.210 of the Rules.

ORDERED THIS 11<sup>TH</sup> DAY OF AUGUST, 2008

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
DEAN MARTINEZ, SECRETARY  
DIVISION OF BANKING

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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.*].**