

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

IN THE MATTER OF:)
)
) No. 2009-MBR-136
MERCURY FINANCIAL SERVICES, INC.)
License No. MB.6759739)
Attention: Rafael Rojas III)
4125 West 26th Street)
Chicago, IL 60623)

ORDER REVOKING LICENSE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (the “Department”), having reviewed and examined the activities conducted by Mercury Financial Services, 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)(1) of the Act. The Department makes the following:

FINDINGS

1. That Mercury Financial Services, Inc. is an Illinois residential mortgage licensee holding inactive lapsed license number MB.6759739 (the “License”) and located according to Department records at 4125 West 26th Street, Chicago, Illinois 60623;
2. The Department conducted an examination of Licensee for the period 9/1/2004 to 8/31/2007 and found the following violations of the Act and Rules cited in the Report of Examination (the “ROE”) as transmitted by the Department to Licensee on or around 7/1/2008:
 - a. Averments – Licensee failed to submit documents requested by Department’s examiner and/or in the “Pre-Examination Alert Requirements Request Letter (“PEARL”) (violation of Sections 2-4 and 4-5(i)(14) of the Act);
 - b. Annual Audit – Licensee failed to submit financial statements prepared on the required accrual basis for fiscal years ending December 31, 2005 and December 31, 2006 (violation of Section 3-2 of the Act);
 - c. Net Worth Requirement – Licensee failed to maintain the \$50,000 minimum net worth requirement for the fiscal years ending December 31, 2005 and December 31, 2006 (violation of Section 3-5 of the Act and Section 1050.410 of the Rules);

- d. Late Audit Reports – Licensee failed to submit within 90 days its fiscal year end financial statements for fiscal year ending December 31, 2006 (violation of Section 3-2 of the Act and Section 1050.430 of the Rules);
 - e. Maintenance of Records – Licensee failed to list and/or complete information required in loan files as cited in the ROE and the examiner identified missing required fields in Licensee’s loan log for the period of September 1, 2005 thru September 30, 2007 (violation of Section 1050.1140 and 1050.1175 of the Rules);
 - f. Yield Spread Premium – Licensee failed to correctly disclose the yield spread premium on the Good Faith Estimate in one loan file (violation of Section 1050.1250 and 1050.1350 of the Rules, citing federal RESPA violations);
 - g. Advertisement Requirements – Licensee failed to include “Illinois Residential Mortgage Licensee” and its license number on its web-site and failed to properly advertise and/or disclose affiliated business relationships (violation of Sections 2-9 and 3-3(b)(c) of the Act and Sections 1050.910, 1050.930, and 1050.940 of the Rules);
 - h. Loan Brokerage Agreement – Licensee failed to provide a borrower with a Loan Brokerage Agreement in one loan file and Licensee’s Loan Brokerage Agreement failed to disclose the loan originator’s registration in three (3) loan files; (violation of Section 1050.1010 of the Rules);
 - i. Loan Brokerage Disclosure Statement – Licensee failed to provide a borrower with a Loan Brokerage Disclosure Statement (violation of Section 1050.1020 of the Rules);
 - j. Borrower Information Document – Licensee’s Borrower Information Document failed to contain the proper language and Licensee failed to provide borrower with a Borrower Information Document in one loan file (violation of Section 1050.1110 of the Rules);
 - k. Continuing Education – Licensee failed to submit proof of loan originator continuing education for Rafael Rojas III (violation of Section 1050.2120(a) of the Rules);
 - l. Employment Agreements – Licensee failed to provide for employer’s responsibility as required by the Act and (violation of Section 1-4 of the Act and Section 1050.110 of the Rules);
 - m. Registration of Loan Originators – Licensee allowed Gwenell Beatty and Itzel Munoz to each originate a mortgage loan prior to being issued their loan originator registrations by the Department (violation of Sections 7-1 and 2-4(z) of the Act and Section 1050.2220 of the Rules); and
 - n. Loan Application Procedures – Licensee used an appraisal that was completed before the mortgage loan application was taken in two loan files (violation of Section 1050.1140 of the Rules);
3. That in the July 1, 2008 transmittal of the ROE, the Department advised Licensee that the ROE was assigned to Supervision for corrections and compliance by Licensee, and included a Memorandum stating that Licensee was required to attend a mandatory supervisory meeting on March 17, 2009;
 4. That during the course of supervision, Licensee failed to properly take steps to conclude supervision, failed to apply for renewal of its License, and failed to continue required bond coverage or conduct itself as required by the Act and Rules;

5. That on March 17, 2009, Licensee failed to attend its mandatory supervisory meeting with the Department, and Supervision Section closed the examination file on March 19, 2009 with the recommendation that an enforcement action be taken against Licensee; and
6. That on May 7, 2009, Legal Section sent Licensee a Potential Discipline Letter and received no response back from the Licensee.

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 1-4, 2-4, 2-6, 2-9, 3-1, 3-2, 3-3, 3-5, and 7-1 of the Act, and Sections 1050.110, 1050.410, 1050.430, 1050.490, 1050.910, 1050.930, 1050.940, 1050.1010, 1050.1020, 1050.1110, 1050.1140, 1050.1175, 1050.1250, 1050.1350, 1050.2120, and 1050.2220 of the Rules, and is in further violation of Sections 4-5(i) (11), (14), and (17) of the Act.

ORDER

NOW THEREFORE IT IS HEREBY ORDERED that the license of Mercury Financial Services, Inc., License No. MB.6759739 is revoked by Order of the Department pursuant to Section 4-5(h) (1) 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 2ND DAY OF JUNE, 2009

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
MICHAEL T. MCRAITH, ACTING 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.*].