

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

IN THE MATTER OF:)
)
) No. 2009-MBR-17
1st STEP MORTGAGE GROUP, INC.)
ATTN: Vincenzo Mazzaresse)
4920 E. State Street)
Rockford, IL 61108)
License No. MB.0006407)

ORDER ASSESSING FINE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (the “Department”), having examined the activities of 1st Step Mortgage Group, Inc., 4920 E. State Street, Rockford, Illinois, 61108, (“1st Step”) 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 1st Step Mortgage Group, Inc., is an Illinois residential mortgage licensee holding license No. MB.0006407 (the “License”) and located at 4920 E. State Street, Rockford, Illinois, 61108;
2. That on September 26, 2008, the Department opened an investigation of 1st Step’s activities at 8 S. Michigan Avenue, Suite 2101, Chicago, Illinois (the “Office”);
3. That the investigation was opened due to 1st Step submitting an application for a branch license at the Office, including a copy of a lease agreement, and that the Office was a location in which another licensee already maintained a branch license;
4. That a Department investigator initially reviewed the lease agreement purportedly signed by Greg Newsome (“Newsome”) as agent for 1st Step and identified irregularities in the lease, including that the lease appeared to contain alterations and to be in the name of Chicago Neighborhood Investments & Mortgages (“Chicago Neighborhood”);

5. That on September 26, 2008, the Department investigator visited the Office noting signage for Chicago Neighborhood on the floor directory located in the building lobby, and signage for Universal Bancorp Ltd. on the wall next to the Office door;
6. That on September 26, 2008, the Department investigator interviewed the property manager for the Office and confirmed that the lease agreement and lease amendment had been altered and that there was no lease agreement between the management company and 1st Step;
7. That on September 26, 2008, the Department investigator contacted 1st Step, who advised through its Director of Operations, that Newsome had sent the lease agreement and amendment to 1st Step as Newsome planned on being the branch manager once the branch application was approved, and further that Newsome was not authorized to sign any lease on behalf of 1st Step;
8. That on September 27, 2008, the Department investigator again visited the Office and confirmed with the building manager that a prior Office lease signed by Newsome for Universal Bancorp Ltd. had been falsified, that the sign for Universal Bancorp was now removed, and through an interview with Newsome, that Newsome stated that he had delivered a copy of the lease in the name of Chicago Neighborhood to 1st Step and denied knowledge of how 1st Step's name became affixed to the lease and amendment agreements;
9. That the Department investigator prepared a Report of Investigation and referred the matter to Legal Section for enforcement;
10. That on November 25, 2008, the Department mailed to Licensee via U.S. first-class mail service and certified mail a Potential Disciplinary Letter;
11. That on December 2, 2008, the Department received a written response from Licensee via letter dated December 1, 2008, also via phone conversations with the Department; and
12. That based upon 1st Step's response to the Department, it appears that 1st Step has taken action to improve its branch licensing practices, that the Department has considered this in mitigation; however the Department finds that 1st Step failed to maintain proper quality controls over branch licensing practices and 1st Step's License was used for the submission of an altered lease to the Department.

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 Subsections (q),(r), and (t) of Section 2-4 of the Act.

ORDER

NOW THEREFORE IT IS HEREBY ORDERED:

1. That 1st Step Mortgage Group, Inc., License No. MB.0006407 shall be and hereby is assessed a fine of \$5,000.00;
2. The fine in the amount of \$5,000.00 shall be due thirty (30) days after the effective date of this Order upon 1st Step Mortgage Group, Inc., and
3. The fine in the amount of \$5,000.00 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 JANUARY, 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.*].