

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

IN THE MATTER OF:)
) No. 2009-MBR-22-b
FLAGSHIP MORTGAGE CORP.)
License No. MB.0005527)
Attn: Jeffrey R. Flees)
100 Old Wilson Bridge Road, Suite 207)
Worthington, Ohio 43085)

CONSENT ORDER

The Illinois Department of Financial and Professional Regulation, Division of Banking (“Department”) and Flagship Mortgage Corporation (“Flagship”) hereby enter into this Consent Order (“Consent Order”) and stipulate and agree to the following:

STIPULATIONS

The Department and Flagship (or hereinafter “the parties”) stipulate that the Department conducted an examination of Flagship for the period of July 16, 2004 through April 30, 2006 (“Examination Period”) resulting in the issuance of a Report of Examination (“ROE”) on May 30, 2007. The parties stipulate that the ROE contained a finding that Flagship had committed violations of the Residential Mortgage License Act of 1987, (“Act”) 205 ILCS 635 *et seq.*, and the rules promulgated thereunder, (“Rules”) 38 Ill. Admin. Code 1050 *et seq.* On January 23, 2009, the Department issued an Order Revoking Flagship’s License, No. MB.0005527, alleging violations of the Act and Rules. Flagship filed a timely request for administrative hearing on the Order Revoking License.

The parties stipulate that during the course of the administrative proceedings, the Department conducted a second examination of Flagship for the period of June 1, 2007 to

February 28, 2010, and issued a second ROE thereafter. The parties further stipulate that the second ROE contained a finding that Flagship had violated the Act and the Rules.

The parties stipulate that this settlement is predicated upon mitigating evidence of Flagship having corrective measures in place to address the violations cited in the first and second ROE to ensure Flagship is in compliance with the Act and the Rules. Specifically, Flagship has corrective measures in place to ensure that its multi-state loan originators do not originate a loan in a state where they are not licensed.

By signing this Consent Order, and for purposes of settlement only, Flagship consents to both the imposition of this Consent Order and the right of the Department to enforce this Consent Order. This Consent Order is not admissible as prime facie evidence of the facts upon which it is based in any future proceedings or any other action, and Flagship makes no admissions herein.

TERMS AND CONDITIONS

WHEREFORE, the Department and Flagship agree as follows:

- A. The Department and Flagship agree that Flagship shall pay thirty-five thousand dollars (\$35,000) to the Department to resolve these disputed issues. Flagship agrees to pay said amount to the Department by cashier's check or money order within thirty (30) days of the effective date of this Consent Order.
- B. Flagship agrees to maintain its corrective actions and remain in compliance with the Act and Rules.
- C. Flagship agrees to withdraw its request for administrative hearing on the Order Revoking License, and to not file any petition for administrative hearing or review, or judicial review of the Order Revoking License or this Consent Order. Flagship acknowledges that it has been represented by its legal counsel in

negotiating this Consent Order, and that it willingly enters into this Consent Order after full review, evaluation, and consideration with full knowledge of its rights under the Act, and the Illinois Administrative Procedure Act.

- D. The Department enters into the Consent Order for the purpose of imposing measures that are fair and equitable in the circumstances and that are consistent with the best interests of the people of the State of Illinois.
- E. The Consent Order shall become effective upon all the parties hereinafter designated signing and dating the Consent Order and on the date that the last of those designated for the Department sign and date the Consent Order.

The foregoing Consent Order is approved in full.

Jeffrey R Flees, C.E.O., Flagship Mortgage Corp. Date: _____

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
BRENT E. ADAMS, SECRETARY
DIVISION OF BANKING

JORGE A. SOLIS, DIRECTOR Date: **OCTOBER 28, 2010**