

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

IN THE MATTER OF:)
)
) No. 2009-MBR-23
SGM MORTGAGE, INC.)
License No. MB.6759068)
Attention: Scott Kotalik)
1901 31st Unit)
LaGrange Park, IL 60526)

ORDER REVOKING LICENSE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (the “Department”), having reviewed and examined the activities of SGM Mortgage, Inc. (the “Licensee”) and 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 SGM Mortgage, Inc. is an Illinois residential mortgage licensee holding inactive license number MB.6759068 (the “License”) and located according to Department records at 1901 31st Unit, LaGrange Park, Illinois 60526;
2. That on or around June 4, 2007, the Supervision Section noticed substantial discrepancies in the 2004, 2005, and 2006 financial statements and Supervision sent a letter requesting Licensee to resolve these discrepancies and resubmit by June 25, 2007, and that after its review of the submitted items, Supervision sent Licensee a letter requesting responses and additional information to be provided by November 27, 2007;
3. That on November 28, 2007, Licensee through its owner requested an extension to provide the responses and additional information; however, the Licensee failed to submit the required items and when the Department later attempted to schedule an examination of Licensee, Licensee did not respond to inquiries of the Department examiner.
4. That the Department examiner’s attempts to schedule said examination included five telephone calls placed to the Licensee between March 31, 2008 and May 14, 2008 with the examiner observing that the telephone line was disconnected on the final call, and on June 12, 2008, the examiner visiting the Licensee’s office and observing the office to be in an apparent condition of abandonment;

5. That on or around November 25, 2008, Supervision Section closed the examination file with the recommendation that an enforcement action be taken against Licensee for failing to comply with the Department and violation of the following sections of the Act and Rules:
 - a. Failure to allow an examination of Licensee's financial records (Act Sections 4-5(i)(15) and 4-2);
 - b. Failure to respond in a timely manner to the supervisory letter (Act Section 4-1(r));
 - c. Failure to notify the Department of a change of address (Rules Section 1050.480); and
 - d. Failure to meet Net Worth Requirements (Act Section 3-5 & Rules Section 1050.410); and
6. That on January 5, 2009, Legal Section sent a Potential Discipline Letter to Licensee via U.S. certified return receipt mail and said letter was returned to sender and marked "Moved, Left No Address."

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 3-5, 4-1(r), and 4-2 of the Act and Sections 1050.410 and 1050.480; and is in further violation of Sections 4-5(i) (11), (15), and (17) of the Act.

ORDER

NOW THEREFORE IT IS HEREBY ORDERED that the license of SGM MORTGAGE, INC., License No. MB.6759068 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 3RD DAY OF FEBRUARY, 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.*].