

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

IN THE MATTER OF: )  
)  
) No. 2009-MBR-80  
**JUST MORTGAGES, INC.** )  
License No. MB.0004448 )  
Attention: Thomas F. Leonard )  
275 Stonegate Drive )  
Algonquin, IL 60102 )

**ORDER REVOKING LICENSE**

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (the “Department”), having examined Just Mortgages, 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 Just Mortgages, Inc. is an Illinois residential mortgage licensee holding license number MB.0004448 (the “License”) and located at 275 Stonegate Dr., Algonquin, Illinois, 60102;
2. That the Department found violations of the Act and Rules in the Report of Examination (“ROE”) of Licensee for the period 06/01/2004 to 11/30/2008 and as transmitted by the Department to Licensee on January 23, 2009. Based upon the ROE, the following violations were cited:
  - a. Definitions: “Exempt person or entity” – Licensee failed to provide W-2 documents as requested by the Department for the years ending 2004, 2005, 2006, and 2007 to verify method of compensation for N. Galati and T. Leonard (violation of Section 1-4(d)(3) of the Act);
  - b. Definitions; “Employee” and “person employed” – Licensee failed to assume full and direct responsibility in writing for employees performing licensable activities (violation of Section 1050.110 of the Rules);
  - c. Averments of Licensee – Licensee failed to provide proof of filing tax returns for 2004, 2005, 2006 and 2007 (violation of Section 2-4 of the Act);
  - d. Annual Audit, Net Worth, Examination Prohibited Activities, & Report Required – Licensee failed to produce financial statements that were either audited or compiled by a Certified Public Accountant for the fiscal years ending 2004, 2005, 2006, and 2007 and failed to produce an interim compiled financial statement as of 11/30/2008.

Since no financial statement from the Licensee was received, Licensee's net worth could not be verified or calculated. Licensee additionally failed to produce W-2, proof of continuing education, bank statement, employment agreement, and tax return documentation cited in the ROE (violation of Sections 3-2, 3-5, 4-2, and 4-4 of the Act);

- e. Continuing Education Requirements – Licensee failed to produce any documentary proof that N. Galati or T. Leonard had fulfilled the continuing education requirements for the years 2005, 2006, and 2007 (violation of Section 1050.2120(a) of the Rules);
  - f. Loan Brokerage Agreement – Licensee failed to include the Loan Brokerage Agreement in one loan file, the signature page of the Loan Brokerage Agreement was not found in the loan in two (2) loan files, and the Loan Originator license number was not marked in the Loan Brokerage Agreement in three (3) loan files (violation of Section 1050.1010 and (h) of the Rules);
  - g. Loan Brokerage Disclosure – Licensee failed to include a Loan Brokerage Disclosure in one loan file (violation of Section 1050.1020 of the Rules);
  - h. Borrower Information Document – Licensee failed provide the borrower information in one loan file and the loan officer did not sign the loan application (Form 1003) found in one loan file (violation of Section 1050.1110 and (e) of the Rules);
  - i. Maintenance of Records – Licensee failed to provide a loan log for the examination. A credit report was not found in one loan file, final Good Faith Estimate and Truth In Lending Disclosure were not found in five (5) loan files, a copy of the appraisal was not found in four (4) loan files, and a Pay Off statement from the previous lender was not found in one file (violation of Section 1050.1175(a) and (b) of the Rules);
  - j. Approval Notice – Licensee failed to provide a loan approval/commitment letter in one loan file (violation of Section 1050.1305 of the Rules);
  - k. Rate Lock Agreements & Fees and Charges – Licensee failed to provide a complete and signed interest rate lock agreement between the borrower and broker in two (2) loan files (violation of Section 1050.1335(a) of the Rules and Regulatory Bulletin JS 93/1 of December 1993);
  - l. Compliance with Other Laws – Licensee was found in violation of other laws cited in the ROE, including the Truth in Lending Act (TILA) for obtaining a credit report before documented approval was received, and for the U.S.A. Patriot Act 2001 P.L. § 107.56 – 326(a)(1)(2) for failure to provide Borrower Identification (violation of Section 1050.1350 of the Rules);
3. That on January 23, 2009, Examination Section mailed the ROE along with letter to the Licensee directing that Licensee had 10 days to submit an explanatory letter responding to the violations cited in the ROE; and
  4. That the Examination Section closed the examination file with the recommendation that the License be revoked. The Licensee failed to submit an explanatory letter by the February 2, 2009 deadline and has failed to timely pay the examination fee of \$782 which remains outstanding. The issue was transferred to the Legal Section.

**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 Section 1-4, 2-4, 3-2, 3-5, 4-2, and 4-4 of the Act and Sections 1050.110, 1050.1010, 1050.1020, 1050.1110, 1050.1175, 1050.1305, 1050.1335, 1050.1350 and 1050.2120 of the Rules; and is in further violation of Sections 4-5(i) (11), (13), and (17) of the Act.

**ORDER**

NOW THEREFORE IT IS HEREBY ORDERED that the license of JUST MORTGAGES, INC., License No. MB.0004448 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 16<sup>TH</sup> DAY OF MARCH, 2009

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