

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF:)
)
) No. 2010-MBR-07
HAMMER FINANCIAL CORP.)
License No. MB.0004621)
Attention: Joseph F. Hammer III)
4849 N. Milwaukee, Suite 502)
Chicago, IL 60630)

ORDER REVOKING LICENSE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (the “Department”), having examined and investigated the activities of Hammer Financial Corp. (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 Sections 4-5(h) (1) and (5) of the Act. The Department makes the following:

FINDINGS

1. That Hammer Financial Corp. is an Illinois residential mortgage licensee holding license number MB.0004621 (the “License”) and located, according to Department records, at 4849 N. Milwaukee, Suite 502, Chicago, Illinois 60630 (the “Office”);
2. That a Department examiner conducted a regular examination of Licensee for the period 11/1/2006 to 7/31/2009 and submitted the Report of Examination (the “ROE”) on December 23, 2009 with findings that Licensee violated the following provisions of the Act and Rules: Act Sections 1-4, 3-5, and 4-4, and Rules Sections 1050.110, 1050.410, 1050.1010, 1050.1020, 1050.1175, and 1050.2120, and further that Licensee’s violation of Act Section 3-5 and Rules Section 1050.410 constituted repeat violations not corrected from the prior examination;
3. That the Licensee was assigned to Supervision for correction of Licensee’s failure to document and maintain net worth, failure to maintain proper loan logs, and other violations cited in the ROE and to obtain compliance with the Act and Rules, and that Supervision Section advised Licensee that Licensee must attend a mandatory supervisory meeting in the Department’s offices on 1/21/2010 for this purpose;

4. That on January 21, 2010 and upon Licensee's failure to attend its mandatory supervisory meeting, Supervision Section mailed to Licensee by U.S. first class postage a second notice of a rescheduled mandatory supervisory meeting for 2/2/2010;
5. That on January 21, 2010, the Department also opened an investigation into Licensee upon a police report that Licensee's owner was missing, and a Department investigator visited the Office on 1/25/2010 and observed that the telephones, computers, and miscellaneous office equipment had been removed, and interviewed the property manager who confirmed that an employee of Licensee had removed all equipment from the Office on or around 1/21/2010 and that Licensee was behind in Office rent payments;
6. That on January 28, 2010, the Department investigator, filed the Report of Investigation (the "ROI") and created an enforcement issue, citing Licensee for failure to notify the Department of changes in business activities and to comply with full service office requirements, and specifically citing Licensee for violation of Act Sections 2-4(t) and 3-4(a), and Rules Sections 1050.340(a) and 1050.475;
7. That on February 2, 2010, Licensee failed to attend Licensee's rescheduled mandatory supervisory meeting and Supervision Section created an enforcement issue for violations cited in the ROE and Licensee's repeated failure to respond to the Department's supervisory requests; and
8. That the Department has reviewed the supervisory and investigatory findings including the ROE and ROI and accompanying files and determined that the Department has documented Licensee's numerous violations of the Act and Rules as cited herein.

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 2-4(t), 3-4(a), 3-5, 4-4, and 4-6 of the Act, and Sections 1050.110, 1050.340(a), 1050.410, 1050.475, 1050.1010, 1050.1020, 1050.1175, and 1050.2120 of the Rules, and is in further violation of Sections 4-5(i) (11) and (17) of the Act.

ORDER

NOW THEREFORE IT IS HEREBY ORDERED that the license of HAMMER FINANCIAL CORP., License No. MB.0004621 is revoked and fined fifty thousand dollars (\$50,000) for counts of separate offense by Order of the Department pursuant to Sections 4-5(h) (1) and (5) 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 4TH DAY OF FEBRUARY, 2010

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
BRENT E. ADAMS, 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.*].