

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF)
)
) No. 2010-MBR-08-b
) No. 2010-LO-16-b
KRK FINANCIAL SERVICES, INC. D/B/A)
KRK MORTGAGE BANCORP, INC./ ZARAK KHAN)
4042 N. Elston Avenue)
Chicago, IL 60618)

CONSENT ORDER

The Illinois Department of Financial and Professional Regulation, Division of Banking (“Department”) and KRK Financial Services, Inc. d/b/a KRK Mortgage Bancorp, Inc. and Zarak Khan (collectively “Respondents”) hereby enter into this Consent Order to resolve all issues involving the Respondents. This Consent Order is made pursuant to the Residential Mortgage License Act of 1987 (“Act”) [205 ILCS 635] and the rules promulgated under the Act (“Rules”) [38 Ill. Adm. Code 1050]. The Department and Respondents stipulate and agree as follows:

STIPULATIONS AND ADMISSIONS

On March 8, 2010, the Department issued to Respondents orders numbered 2010-MBR-08 and 2010-LO-16 (“Orders”) and the Respondents filed requests for administrative hearing of the Orders. Administrative proceedings have continued in a consolidated case before the Department; however, in lieu of proceeding to a formal hearing, the Department and Respondents herein agree to resolve these matters pursuant to the terms of this Consent Order. Respondents, in this Consent Order, are not admitting to any liability, nor have been found liable.

TERMS AND CONDITIONS

WHEREFORE, the Department and Respondents agree as follows:

- I. Due to Respondents proffering mitigating factors, the Department agrees to reduce the Respondents' discipline assessed through the Orders to a fine of twenty thousand dollars (\$20,000). The fine of \$20,000 shall be payable through the Respondent-company's surety bond in that amount provided to the Department pursuant to the Act and Rules. It is the understanding of the Department and Respondents that the Department has made a claim of \$20,000 to the bond insurer under said surety bond, the Respondents have filed all required information with the bond insurer, and said surety bond claim is now approved by the bond insurer in the amount of \$20,000 for payment to the Department.
- II. Respondents agree to cease all brokering and loan originator activities and hereby agree to apply to the Department for surrender of their company and individual licenses pursuant to the Act and Rules. Failure to comply with this Consent Order may result in further discipline. Respondents agree to dismiss their petitions for administrative hearing and administrative review of the Orders and waive any right to re-file their petitions, or file any petition or other appeal of the Orders or of this Consent Order. Respondents acknowledge that they have been represented by legal counsel in negotiating this Consent Order and, after full review, evaluation and consideration and with full knowledge of their rights under the Act, Rules, and Illinois Administrative Procedure Act [5 ILCS 100], willingly enter into this Consent Order.
- III. The Department enters into this 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.

IV. The Consent Order shall be signed and dated by all the parties hereinafter and shall become effective on the day the Department signs and dates the Consent Order.

The foregoing Consent Order is approved in full.

_____ date: _____
Zarak Khan on behalf of Respondents

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

_____ date: **MAY 2, 2012**
MANUEL FLORES, DIRECTOR