

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF)	
)	
)	No. 2010-MBR-09
ATLAS PREFERRED MORTGAGE, LLC)	
License No. MB.6760306)	
Attention: Jeffery Townsend)	
7170 W. Grand Ave., Suite 1W)	
Chicago, IL 60707)	

ORDER REVOKING LICENSE AND ASSESSING FINE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (the “Department”), having investigated the activities of Atlas Preferred Mortgage, LLC (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 Sections 4-5(h)(1) & (5) of the Act. The Department makes the following:

FINDINGS

1. That Atlas Preferred Mortgage, LLC is an Illinois residential mortgage licensee holding license number MB.6760306 (the “License”) and located at 7170 W. Grand Ave., Suite 1W, Chicago, Illinois 60707;
2. That in September 2009, the Department received a complaint of fraudulent title and mortgage activities connected to loans closed through Traditional Title and commenced an extensive six-month investigation for evidence of fraud in residential mortgage transactions and with a primary focus upon the financing of approximately 27 condominium units, now in foreclosure, located at 4725 S. Michigan Avenue, Chicago, Illinois (“4725 S. Michigan Avenue”), but with additional residential properties located in Chicago, Illinois at 4243 N. Keystone, 5416 S. Michigan Avenue, 6621 S. Ingleside, 7919 S. Phillips, and 7921 S. Phillips;
3. That the Department through its Banking Division, and in coordination with the Divisions of Financial Institutions and Professional Regulation, collected evidence of activities perpetrating or in support of a mortgage fraud scheme whereby mortgage brokers, loan originators, straw-buyers, and others were recruited or induced and compensated to participate in the origination of loans using false occupancy, employment, and bank account information on loan applications to fraudulently obtain loan proceeds from lenders on the loans;

4. That on or around March 1, 2010, the Department filed the Post Investigative Report (the “Investigative Report”) detailing the involvement of seven respondent mortgage companies and six loan originator individuals in connection with the mortgage fraud scheme and containing the supporting evidence and documentation from the investigation;
5. That the Investigative Report cites Licensee for twenty-two (22) counts of violations of each averment under Sections 2-4(f),(j), & (k) of the Act, nine (9) counts of violations under Sections 2-4(t) & (z) and 7-1 of the Act and Sections 1050.1175(b)(1)(A-E) and 1050.2125(b)(5) of the Rules; and
6. That the violations include Licensee originating nine (9) loans through Loan Originator Razzak Khader (“Khader”), for borrowers LH (2), PT (2), NV, EK, KD, AO, and WC, knowing Khader was not properly sponsored by Licensee at the time Khader originated the loans, that Licensee falsely prepared its loan logs to show Townsend as the loan originator, and that Licensee permitted Townsend to falsely sign off as the loan originator on these loans; further Licensee originated loans with information falsifying the purpose of loans for 4725 S. Michigan Avenue Units 3E, 4C, and GB, and 6621 S. Ingleside, Unit 3 as primary occupancy when in fact the borrowers did not intend to occupy the properties as primary residences.

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(f),(j)(k), and (z) and 7-1 of the Act and Sections 1050.1175 and 1050.2125 of the Rules, and is in further violation of Sections 4-5(i)(2),(11), and (17) of the Act.

ORDER

NOW THEREFORE IT IS HEREBY ORDERED that the license of ATLAS PREFERRED MORTGAGE, LLC, License No. MB.6760306 is revoked by Order of the Department pursuant to Section 4-5(h)(1) of the Act and fined \$100,000 pursuant to Section 4-5(h)(5) of the Act for failure to comply with the provisions cited herein of the Act and Rules. The fine in the amount of \$100,000 shall be paid within thirty (30) days after the effective date of this Order by means of certified check or money order made payable to the:

**Department of Financial and Professional Regulation
Division of Banking
ATTN: MORTGAGE BANKING
320 West Washington, 6th Floor
Springfield, IL 62786**

ORDERED THIS 8TH DAY OF MARCH, 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 and hearing fee 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.*].