

**STATE OF ILLINOIS**

**DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION**

**DIVISION OF BANKING**

IN THE MATTER OF: )  
)  
) No. 2010-MBR-105  
CUSTOM MORTGAGE, LLC )  
License No. MB.6760198 )  
ATTN: John Neal, II )  
5 E. College, Suite 104 )  
Arlington Heights, IL 60004 )

**ORDER REVOKING LICENSE & ASSESSING FINE**

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (the “Department”), having examined and investigated the activities of Custom Mortgage, LLC (“Custom Mortgage”) and found violations under 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) & (5) of the Act. The Department makes the following:

**FINDINGS**

1. That Custom Mortgage, LLC is an Illinois residential mortgage licensee holding license number MB.6760198 (the “License”) and located according to Department licensing records at 5 E. College, Suite 104, Arlington Heights, Illinois, 60004 (the “Office”);
2. That the Department conducted two (2) regular examinations of Custom Mortgage during 2008 and 2010 and each resulted in reports of examination with findings of failure to comply with the minimum \$50,000 net worth requirement and other violations of the Act and Rules sufficient to warrant assignment to Supervision for correction and compliance. On March 19, 2010, the Department re-opened the examination file of Custom Mortgage for the 2010 examination covering the period 4/1/2008 to 1/31/2010. The Department had previously fined Custom Mortgage by issuing Order No. 2009-MBR-205 on August 10, 2009 for failure to make timely response to a supervisory letter requiring audit information to prove correction and compliance with minimum net worth from the 2008 exam and this supervisory item has been carried over through the two examinations;
3. That on April 6, 2010, the Department held a Supervision meeting with Custom Mortgage and received its response documents; the Department reviewed these response documents and noted several discrepancies. The Department granted extensions to Custom Mortgage to submit its 12/31/2009 financials (originally due on or before March 30, 2010) to now be due on April 30, 2010. The Department requested additional written explanation of the discrepancies and monthly documentation of financial condition;

4. That commencing on or around April 30, 2010, the Department granted an extension for Custom Mortgage's supervision response. This was because Custom Mortgage had informed the Department that it would be surrendering its License. In granting an extension, the Department advised Custom Mortgage that said response would be reconsidered contingent upon a properly surrendered license and provided the procedure it must follow to surrender its License. Thereupon, Custom Mortgage delayed filing an application for License surrender while it was waiting for two open loan files to close. The Department records nine (9) contacts with Custom Mortgage for period 4/30/2010 to 6/22/2010;
5. That on July 2, 2010 and July 9, 2010, the Department received duplicate letters of complaint that Custom Mortgage had moved out of its Office in April 2010, but the Office was still listed on the Department's website for the company;
6. That on July 14, 2010, the Department opened an investigation of Custom Mortgage and confirmed the complaint through performing site reviews and interviews at the Office location as well as interviewing the owner of Custom Mortgage on July 15, 2010. Owner stated that Custom Mortgage was operating from the owner's home address, 512 McClurg Court, Unit 4206, Chicago, Illinois 60611 due to no longer being able to afford the rent at the Office and that Custom Mortgage was surrendering its License;
7. That on or around August 1, 2010, the Department's Investigation Section filed a Report of Investigation (the "ROI") containing the facts it found concerning the complaint against Custom Mortgage, and opened an enforcement issue for violations of Sections 2-4(a),(d), & (t) of the Act for failure to maintain a full service corporate office and provide change of address as required, and violations of Sections 1050.340(a), 1050.475(a) and 1050.480(b) of the Rules for failure to maintain a full service office, and failure to provide 10-day advance notice to the Department for a change of business activities and vacating the Office/change of address;
8. That on September 3, 2010 after conducting a review of Custom Mortgage's status, the Department's Legal Section mailed Custom Mortgage a Potential Disciplinary Letter (the "PDL") based upon the ROI and noting Custom Mortgage's continued use of a website with the Office address. Custom Mortgage formally responded to the PDL in writing on September 9, 2010 and again stated it was surrendering the License; however, sent the Department an electronic message on September 19, 2010 expressing an interest to remain in business; and
9. That the Department has documented the aforementioned violations by Custom Mortgage of the Act and Rules, and further finds that Custom Mortgage's finances and activities under its License do not meet standards of safety and soundness and consumer protection required by the Act and Rules.

**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(a), (d), & (t), 3-2, 3-4, 3-5, 4-1(h-1) of the Act and Sections 1050.340(a), 1050.475, and 1050.480(b) 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:

1. The Department revokes CUSTOM MORTGAGE, LLC, License No. MB.6760198.
2. The Department assesses a fine against CUSTOM MORTGAGE, LLC, License No. MB.6760198, in the amount of \$10,000 for violating the Act and Rules as cited herein payable by certified check or money order within thirty (30) days of the effective date of this order to the:

**Department of Financial and Professional Regulation  
Division of Banking  
ATTN: FISCAL DIVISION  
320 West Washington, 6<sup>th</sup> Floor  
Springfield, IL 62786**

ORDERED THIS 26<sup>TH</sup> DAY OF SEPTEMBER, 2010

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
BRENT E. ADAMS, 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, and hearing fee pursuant to 38 Ill. Adm. Code 1050.210(f), 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.*].**

