

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF)	
)	
)	No. 2010-MBR-15
1 ST ALLIANCE BANC CORPORATION)	
ATTN: Scott R. Gripman)	
2043 W. Belmont Avenue, 1 st Floor)	
Chicago, IL 60618)	
License No. MB.0006670)	

ORDER ASSESSING FINE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (the “Department”), having reviewed and examined the activities of 1st Alliance Banc Corporation (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)(5) of the Act. The Department makes the following:

FINDINGS

1. That 1st Alliance Banc Corporation is an Illinois residential mortgage licensee holding license number MB.0006670 (the “License”) and located at 2043 W. Belmont Avenue, 1st Floor, Chicago, Illinois 60618;
2. That on November 2, 2009, the Department opened an investigation after receiving information and inquiry from IDFP Real Estate Intake Section, to determine if Licensee had engaged in fraudulently loan activities in violation of the Act and Rules;
3. That the Department’s investigator contacted and obtained additional information from a Detective in Lake County, Sheriff’s Department, in regards to the loan transaction and loan originator and based upon the findings filed an Report of Investigation (“ROI) and cited Licensee as follows:
 - a. Necessity for License (violation of Act Section 1-3(f) & (g)) and Additional Full Service Office (Rules Section 1050.350) – 1st Alliance allowed George Gilou (“Gilou;” aka George Shamoun), an unregistered loan originator, to conduct mortgage brokering activities on behalf of 1st Alliance at 6059 W. Irving Park Road, Chicago, Illinois without 1st Alliance obtaining a valid branch office license at that location;
 - b. Loan Originator Registration Required (violation of Act Sections 2-4(z) & 7-1, and Rules Section 1050.2125) – 1st Alliance allowed Gilou, an unregistered loan originator, to originate two loan applications (for borrowers House and Brooks) while Gilou was not

- properly registered to originate two loans on behalf of 1st Alliance that 1st Alliance knew or should have known at the time of origination that Gilou did not possess a valid loan originator registration;
- c. Averments violated (violation of Act Sections 2-4(f),(k),(r) & (t)) - 1st Alliance allowed Gilou, an unregistered loan originator, to originate the House and Brooks loan applications while Gilou was not properly registered to originate loans on behalf of 1st Alliance and allowing the borrowers to believe their loans were being originated by a qualified, registered loan originator, and to the injury of another party, in misrepresenting or concealing loan terms to borrowers and creating an opportunity for Gilou's theft of Brooks' identity and personal information to commit credit card fraud;
 - d. Copies of Signed Documents (violation of Rules Section 1050.1150) – 1st Alliance, through its employment of Gilou, an unregistered loan originator, failed to provide copies of signed documents to borrower Brooks.
4. That on January 22, 2010, the Department's Legal Section mailed to Licensee by U.S. First class and certified mail service a Potential Discipline Letter, and that on February 16, 2010, the Department received a signed receipt card evidencing receipt of such delivery was received by the Department;
 5. That on February 16, 2010, Licensee contacted the Department indicating that a written response to the potential disciplinary letter would be submitted by end of the week; and
 6. That the Department has not received a written response from Licensee and based upon the findings and evidence in this matter Licensee has violation 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 1-3(f), (g), and 2-4 (f), (k), (r), (t), (z) and 7-1 of the Act and Sections 1050.350, 1050.1150, 1050.2125, 1050.2220 1050.1175, and 1050.1350 of the Rules, and is in further violation of Sections 4-5(i) (11) and (17) of the Act.

ORDER

NOW THEREFORE IT IS ORDERED:

1. That 1st ALLIANCE BANC CORPORATION, License No. MB.0006670, shall be and hereby is assessed a fine in the amount of \$25,000 for the violations cited herein;
2. The fine in the amount of \$25,000 shall be due thirty (30) days after the effective date of this Order upon 1st ALLIANCE BANC CORPORATION; and
3. The fine in the amount of \$25,000 shall be paid by means of a 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 11TH 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 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.*].