

**STATE OF ILLINOIS**

**DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION**

**DIVISION OF BANKING**

IN THE MATTER OF	)	
	)	
	)	No. 2010-MBR-31
<b>RESIDENTIAL PLUS MORTGAGE CORPORATION)</b>		
License No. MB.0006264	)	
Attention: Kelly Zoudo	)	
2700 River Road, Suite 300	)	
Des Plaines, IL 60018	)	

**ORDER ASSESSING FINE**

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (the “Department”), having investigated the activities of Residential Plus Mortgage 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 Residential Plus Mortgage Corporation is an Illinois residential mortgage licensee holding license number MB.0006264 (the “License”) and located at 2700 River Road, Suite 300, Des Plaines, Illinois 60018 (the “Office”);
2. That on January 13, 2010, the Department opened an investigation into Licensee in order to establish whether loan originator JD was working for the company without being properly sponsored;
3. That upon arrival in the reception area at the Office, the assigned Department investigator (the “Investigator”), spoke to Gregory Pusch (“Pusch”), the sales manager for Licensee, and requested from Pusch a copy of Licensee’s loan log from March 2009 to present. While Pusch went to locate the requested documentation, the Investigator noticed a list of employees in plain view on the receptionist desk. The Investigator observed the names on the Licensee’s list at the receptionist desk and compared those names to the Department’s records of loan originators currently sponsored by Licensee (the “CLEAR List” that the Investigator had printed and brought from the Department for purposes of the investigation). The Investigator determined that there were several names listed on the Licensee’s list at the receptionist desk that did not match the CLEAR List;
4. That Pusch returned from searching for the loan log and informed the Investigator that the document was so voluminous that it would take an exorbitant amount of time to print each

page. The Investigator requested and received approval from Pusch to review the Licensee's loan log from Pusch's computer at the Office. While scrolling through the computer loan log for loan originator JD's name, the Investigator found the name Jeremy Clement ("Clement") listed several times as a loan originator although the Investigator recalled from the CLEAR List that Clement only had an application in process and did not have a valid loan originator registration;

5. That the Investigator then asked Pusch to email the Investigator a copy of the loan log that the Investigator had viewed on the Licensee's computer. Pusch agreed to email the requested list to the Investigator on January 14, 2010;
6. That on January 14, 2010, the Investigator received Pusch's email with purportedly the requested loan log attached, however, the Investigator now noticed that Clement was no longer listed on the Licensee's loan log;
7. That on January 20, 2010, the Investigator returned to the Office to continue the investigation of Licensee, but now to research the further discrepancy between the e-mailed and computer-observed loan logs. The Investigator was again given access to Pusch's computer and the Investigator's review of the Licensee's loan log in the computer showed that Clement's name appeared as a loan "rep" for seven borrowers. The Investigator questioned Pusch about the loan log entry for Clement and Pusch responded that Clement was a loan officer assistant and his name had to be on the loan log while Clement was assisting other loan officers so Clement could have access to Licensee's computer system;
8. That the Investigator then requested the original loan files for the seven borrowers with the aforementioned discrepancy, and subsequently collected additional loan files on Clement's desk. The Investigator found through the review of the files for borrowers Bunge, Vuong and Nwokedi, that Clement's name was typed as being the loan originator on each of their loan applications. The Investigator found for borrowers Aragon and Meiborg that there were multiple loan applications in each file with Clement's name typed as being the loan originator, and with Karmel Kifarkis' ("Kifarkis"; a registered loan originator with number 031.0001884) named typed as being the loan originator. The Investigator next observed that for five of the borrowers (Karounos, Ramel, Stotts and Porter (two files)) Kifarkis' name had been signed over another name as loan originator on the face of their loan applications through an alteration by use of "whiteout". The Investigator was able to identify Clement's name typed under the whiteout;
9. That Investigator called the borrowers from the Office to ascertain from the borrowers the individual who perform loan originator services for the Licensee for their loans. Through those borrowers reached initially in this fashion and later communications with the borrowers, the Investigator verified from each of the borrowers Vuong, Ramel, Meiborg, Aragon, Porter, Stotts, Karounas, and Nwokedi that Clement had taken their loan applications with the Licensee, quoted interest rates, and explained Licensee's loan products. The borrowers told the Investigator that many of the loan applications had been taken over the telephone; however, several of the borrowers had met with Clement at the Office or in their homes; the borrowers who the Licensee had listed Kifarkis as the loan originator on their loans told the Investigator that they did not know Kifarkis and had not worked with Kifarkis on their loans; another borrower Fowler (identified from Licensee's loan log) also indicated to the Investigator that Clement was the loan originator for her loan and the

Investigator found evidence in the Fowler loan file of an altered loan originator signature in Kifarkis' name;

10. That the Investigator marshaled the evidence and findings of the investigation, interviewed the Licensee's owner and Kifarkis, and based upon the evidence and findings and responses of the interviews completed the investigation with the filing of a Report of Investigation (the "ROI") and the creating of an enforcement issue against the Licensee (and individuals) for the violations as follows: Act Section 2-4(f) (11 counts for Licensee transmitting or intent to transmit for underwriting loan applications that were taken by Clement who was not qualified to take loan applications from borrowers, and 8 counts as to transmission or intent to transmit to underwriting 8 loans with Kifarkis' name wrongly listed as loan originator), Act Section 2-4(j) (12 counts, 1 count for alteration of Licensee's loan log and 11 counts for allowing Clement to originate 11 loans without loan originator registration), Act Section 2-4(k) (8 counts for Licensee allowing Kifarkis' name to be signed or typed on loan applications that Kifarkis did not originate), Section 2-4(z) (11 counts for allowing Clement to originate 11 loans without loan originator registration), and Rules Section 1050.2125 (11 counts for allowing Clement to originate 11 loans without loan originator registration) as well as violation of Rules Section 1050.1175 for improper maintenance of loan logs/files;
11. That on April 9, 2010, the Department's Legal Section mailed a Potential Disciplinary Letter to Licensee by U.S. first class and certified mail and Licensee acknowledged receipt and provided a written response dated April 14, 2010 and received by the Department on April 19, 2010; the Department has reviewed said response and further finds, beyond that of Clement performing unregistered loan originator activities, that Licensee failed to ensure that Clement was properly registered as a loan solicitor ("032" credential) to perform his assigned telemarketing duties; and
12. That the Department has determined the evidence supports the violations cited in the ROI and additional finding in Paragraph 11 above, and an order has been prepared for discipline of Licensee as hereinafter provided.

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

## **ORDER**

NOW THEREFORE IT IS ORDERED:

1. That RESIDENTIAL PLUS MORTGAGE CORPORATION, License No. MB.0006264, 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 RESIDENTIAL PLUS MORTGAGE 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, 6<sup>th</sup> Floor  
Springfield, IL 62786**

ORDERED THIS 5<sup>TH</sup> DAY OF MAY, 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.*].**