

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF)
)
) No. 2010-MBR-39
MORTGAGE DIRECT, INC.)
License No. MB.6759244)
360 W. Butterfield Road, Suite 320)
Elmhurst, IL 60126)

CONSENT AGREEMENT

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (the “Department”), and MORTGAGE DIRECT, INC. (“Mortgage Direct”), hereby enter into this Consent Agreement (the “Consent Agreement”) to resolve all issues arising from a Department investigation of certain loan originator and licensable activities under Mortgage Direct’s Illinois residential mortgage license number MB.6759244 (the “License”). This Consent Agreement is made pursuant to 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]. The Department and Mortgage Direct stipulate as follows:

STIPULATIONS

On December 7, 2009, Mortgage Direct made a complaint to the Department against two of its then-employed loan originators J. Michael Ross (“Ross”; Loan originator number 031.0008013) and Kipchoge Foster (“Foster”; Loan originator number 031.0013481) for engaging in submitting a fraudulent loan. Thereafter, the Department opened an investigation under Complaint No. 2009-2035 resulting in the filing of a final Post Investigative Report of Investigation on January 19, 2010 (the

“ROI”). The parties now stipulate that the ROI and its investigatory file identify and document violations by Ross and Foster resulting in Mortgage Direct receiving a repurchase demand from its lender for the fraudulent loan. The parties further stipulate in the course of the Department’s investigation that the Department identified some quality control issues at Mortgage Direct related to the hiring and supervision of Ross and Foster as a “team” and proper record-keeping of their individual activities. The Department and Mortgage Direct now desire to resolve these supervisory and record-keeping matters pertaining to the ROI in furtherance of final resolution of Mortgage Direct’s complaint against Ross and Foster, the Department’s findings thereupon and the enforcement issues created against Ross and Foster in relation to the fraudulent loan activity.

TERMS AND CONDITIONS

WHEREFORE, the Department and Mortgage Direct agree as follows:

- I. The Department assesses a \$500 penalty against Mortgage Direct for its supervision and record-keeping of Ross’ and Foster’s individual loan originator activities and Mortgage Direct agrees to fully cooperate with the Department in providing evidence against Ross and Foster in preparation of any administrative order and/or at any administrative proceedings that may arise from Complaint No. 2009-2035.
- II. Mortgage Direct agrees to not file any petition for hearing or review of this Consent Agreement, acknowledges that it has been represented by legal counsel and advised of the terms and conditions of this Consent Agreement, and further acknowledges the Department’s best efforts in investigating its complaint.
- III. The Department enters into the Consent Agreement 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. This Consent Agreement shall be published on the Department’s website.

IV. The Consent Agreement shall become effective upon all the parties hereinafter designated signing and dating the Consent Agreement and on the date that the last of those designated for the Department sign and date the Consent Agreement.

The foregoing Consent Agreement is approved in full.

_____ date: _____
Sam Dahleh
President
Mortgage Direct, Inc.

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

_____ date: **JUNE 11, 2010**
JORGE A. SOLIS, DIRECTOR