

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF:)
) No. 2013-MBR-47
APOLLO MORTGAGE FINANCE CORP.)
License No. MB.0006086)
ATTN: Rachele D'Alesio)
2300 N Barrington Road, Suite 400)
Hoffman Estates, Illinois 60169)

ORDER REVOKING LICENSE & ASSESSING FINE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking, (“Department”) having investigated and reviewed the activities of APOLLO MORTGAGE FINANCE CORP. (“APOLLO MORTGAGE”), 2300 N Barrington Road, Suite 400, Hoffman Estates, Illinois and documented violations of the Residential Mortgage License Act of 1987 (“Act”) [205 ILCS 635], the rules promulgated under the Act (“Rules”) [38 Ill. Adm. Code 1050] and the Residential Real Property Disclosure Act (“RRPDA”) [765 ILCS 77], hereby issues this Order pursuant to Sections 4-1 and 4-5 of the Act, and states:

STATUTORY PROVISIONS

1. Section 1-4(hh) of the act defines a Loan Originator as any natural person who, for compensation or in the expectation of compensation, either directly or indirectly makes, offers to make, solicits, places, or negotiates a residential mortgage loan.
2. Section 1-4(jj) of the Act defines a Mortgage Loan Originator as an individual who for compensation or gain or in the expectation of compensation or gain:
 - (i) takes a residential mortgage loan application; or
 - (ii) offers or negotiates terms of a residential mortgage loan.
3. Section 1-4(w) of the Act defines “advertisement” as any attempt by publication, dissemination, or circulation to induce, directly or indirectly, any person to enter into a residential mortgage loan agreement or residential mortgage loan brokerage agreement in connection with Illinois residential real estate.
4. Section 2-3 of the Act requires an application for a residential mortgage license to include information as to the character, fitness, financial and business responsibility, experience, and criminal records of any person, entity, or ultimate equitable owner that the Department finds influences the management of the license applicant.

5. Section 2-4(z) of the Act states that a licensee will not knowingly hire or employ a loan originator who is not registered, or a mortgage loan originator who is not licensed, as required under Section 7-1 or Section 7-1A, as applicable, of this Act. A licensee who fails to fulfill obligations of an averment, to comply with averments made, or otherwise violates any of the averments made under this Section shall be subject to the penalties in Section 4-5 of this Act.
6. Section 2-6 of the Act provides, in part, in subsection (a) states that licenses shall be renewed annually every year on the anniversary of the date of issuance of the original license, or the common renewal date of the Nationwide Mortgage Licensing System and Registry as adopted by the Director, in subsection (b) that it shall be the responsibility of each licensee to accomplish renewal of its license, and in subsection (e) that a licensee ceasing activities regulated by the Act and desiring to no longer be licensed shall inform the Department in writing and, at the same time convey the license and all other symbols or indicia of licensure, including a withdrawal plan, timetable for the disposition of the business, and comply with the Department's surrender guidelines or requirements.
7. Section 4-5(h)(5) of the Act provides that when the Director finds any person in violation of the grounds set forth in subsection (i), the Director may enter an order imposing a fine not to exceed \$25,000 for each count of separate offense, or not to exceed \$75,000 for each separate count of fraud, misrepresentation, deceit or negligence in any mortgage financing transaction.
8. Section 4-5(i) states that the following acts shall constitute grounds for which the disciplinary actions specified in subsection (h) above may be taken: (2) fraud, misrepresentation, deceit or negligence in any mortgage financing transaction; (11) failure to comply with any order of the Secretary or rule made or issued under the provisions of this Act; (17) failure to comply with or violation of any provision of this Act; and (18) failure to comply with or any violation of Article 3 of the RRPDA.
9. Section 70(c) of the RRPDA requires the broker or originator for any mortgage on residential property located within the program area to submit all of the information required under Section 72 to the anti-predatory lending database (the "APLD") within 10 days after taking a mortgage application.
10. Section 72(4) of the RRPDA requires that the broker or originator submit information for inclusion in the APLD for each loan for which the originator takes an application including information about the originator, the company the originator works for, and the originator's license number.
11. Section 1050.910 of the Rules states that no person, partnership, association, corporation or other entity except a licensee or an entity exempt by Section 1-4(d) of the Act, shall cause to be circulated or use any advertising appearing in the State of Illinois or make any representation or give any information to any person, which indicates or reasonably implies activity involving the making, servicing, or brokering of loans secured by residential real estate located in Illinois.
12. Section 1050.1140 of the Rules states that the loan application procedures shall comply with the Act as well as applicable Federal and State law and regulations.

13. Section 1050.2125 of the Rules states that no licensee shall employ a person or entity to perform the duties of a Loan Originator, except a person with a current Loan Originator Certificate of Registration.

FACTUAL FINDINGS

14. Upon information and belief, APOLLO MORTGAGE was last located at 2300 N Barrington Road, Suite 400, Hoffman Estates, Illinois 60169, and holds inactive, lapsed residential mortgage license number MB.0006086 (the “License”). As a mortgage broker, APOLLO MORTGAGE advertised, solicited, offered and provided loan origination services to borrowers by telephone, in person, through the company’s website and other websites such as zillow.com and lendingtree.com.
15. On March 24, 2011, the Department received a complaint alleging that APOLLO MORTGAGE was employing the services of an unlicensed Mortgage Loan Originator identified as Alfredo Busano (“BUSANO”). The Department’s internal records showed that APOLLO MORTGAGE was properly licensed as a mortgage broker at that time; however, BUSANO was not licensed as a loan originator in Illinois.
16. On March 30, 2011, the Department’s Investigator conducted an on-site visit of APOLLO MORTGAGE’s offices in Hoffman Estates, Illinois during which the Investigator met and interviewed BUSANO. The investigation revealed that APOLLO MORTGAGE is a company ostensibly owned by Rachele D’Alesio (“D’ALESIO”). During the interview, BUSANO admitted that D’ALESIO was simply an owner on paper and that he owned a 5% stake in the company, contrary to the Department’s internal records, which reflected that BUSANO was an inactive owner with a 0% stake in the company.
17. During the investigation, BUSANO provided a loan log with loans dating from April 21, 2008 to March 19, 2011. He admitted that during his tenure at APOLLO MORTGAGE, he was permitted to engage in licensable activities, i.e. taking loan applications, quoting interest rates and terms, and explaining loan products, without being licensed as a loan originator in Illinois. According to the Department’s investigation and review of the loan log, APOLLO MORTGAGE allowed BUSANO to originate at least seventy (70) loans for the following borrowers under the name of Illinois-licensed Mortgage Loan Originator Joseph Deitschel (“DIETSCHEL”):

Table 1

	Borrower	Loan Originator on Loan Log	Actual Loan Originator
1	A.A.	Joseph Deitschel	Alfredo Busano
2	J.A.	Joseph Deitschel	Alfredo Busano
3	L.A.	Joseph Deitschel	Alfredo Busano
4	L.A-J.	Joseph Deitschel	Alfredo Busano
5	D.B.	Joseph Deitschel	Alfredo Busano
6	J.B.*	Joseph Deitschel	Alfredo Busano
7	P.B.*	Joseph Deitschel	Alfredo Busano
8	K.B.	Joseph Deitschel	Alfredo Busano
9	B.B.*	Joseph Deitschel	Alfredo Busano
10	A.C.*	Joseph Deitschel	Alfredo Busano

	Borrower	Loan Originator on Loan Log	Actual Loan Originator
11	J.C.*	Joseph Deitschel	Alfredo Busano
12	S.C.*	Joseph Deitschel	Alfredo Busano
13	D.C.	Joseph Deitschel	Alfredo Busano
14	D.F.	Joseph Deitschel	Alfredo Busano
15	D.F.	Joseph Deitschel	Alfredo Busano
16	J.F.	Joseph Deitschel	Alfredo Busano
17	D.F.*	Joseph Deitschel	Alfredo Busano
18	A.G.*	Joseph Deitschel	Alfredo Busano
19	G.G.	Joseph Deitschel	Alfredo Busano
20	G.G.*	Joseph Deitschel	Alfredo Busano
21	C.H.	Joseph Deitschel	Alfredo Busano
22	R.H.●	Joseph Deitschel	Alfredo Busano
23	B.K.	Joseph Deitschel	Alfredo Busano
24	D.K.*	Joseph Deitschel	Alfredo Busano
25	P.K.*	Joseph Deitschel	Alfredo Busano
26	C.L.*	Joseph Deitschel	Alfredo Busano
27	G.L.	Joseph Deitschel	Alfredo Busano
28	G.L.	Joseph Deitschel	Alfredo Busano
29	A.M.*	Joseph Deitschel	Alfredo Busano
30	P.L.*	Joseph Deitschel	Alfredo Busano
31	P.L.*	Joseph Deitschel	Alfredo Busano
32	A.M.*	Joseph Deitschel	Alfredo Busano
33	A.M.*	Joseph Deitschel	Alfredo Busano
34	B.M.	Joseph Deitschel	Alfredo Busano
35	P.M.*	Joseph Deitschel	Alfredo Busano
36	A.M.●	Joseph Deitschel	Alfredo Busano
37	J.N.	Joseph Deitschel	Alfredo Busano
38	A.N.*	Joseph Deitschel	Alfredo Busano
39	A.O.●	Joseph Deitschel	Alfredo Busano
40	D.P.*	Joseph Deitschel	Alfredo Busano
41	D.P.*	Joseph Deitschel	Alfredo Busano
42	G.P.	Joseph Deitschel	Alfredo Busano
43	N.Q.*	Joseph Deitschel	Alfredo Busano
44	N.Q.*	Joseph Deitschel	Alfredo Busano
45	W.R.*	Joseph Deitschel	Alfredo Busano
46	M.R.	Joseph Deitschel	Alfredo Busano
47	J.R.*	Joseph Deitschel	Alfredo Busano
48	J.R.*	Joseph Deitschel	Alfredo Busano
49	J.R.*	Joseph Deitschel	Alfredo Busano
50	C.R.	Joseph Deitschel	Alfredo Busano
51	R.R.*	Joseph Deitschel	Alfredo Busano
52	C.S.*	Joseph Deitschel	Alfredo Busano
53	S.S.*	Joseph Deitschel	Alfredo Busano
54	N.S.●	Joseph Deitschel	Alfredo Busano

	Borrower	Loan Originator on Loan Log	Actual Loan Originator
55	J.S.	Joseph Deitschel	Alfredo Busano
56	S.S.	Joseph Deitschel	Alfredo Busano
57	R.S.	Joseph Deitschel	Alfredo Busano
58	C.S.*	Joseph Deitschel	Alfredo Busano
59	B.S.*	Joseph Deitschel	Alfredo Busano
60	H.S.*	Joseph Deitschel	Alfredo Busano
61	B.S.*	Joseph Deitschel	Alfredo Busano
62	R.S.*	Joseph Deitschel	Alfredo Busano
63	N.T.*	Joseph Deitschel	Alfredo Busano
64	N.T.	Joseph Deitschel	Alfredo Busano
65	S.T.	Joseph Deitschel	Alfredo Busano
66	S.T.	Joseph Deitschel	Alfredo Busano
67	F.V.*	Joseph Deitschel	Alfredo Busano
68	G.W.*	Joseph Deitschel	Alfredo Busano
69	A.W.	Joseph Deitschel	Alfredo Busano
70	D.B.●	Joseph Deitschel	Alfredo Busano

18. According to the Department's investigation, although APOLLO MORTGAGE employed DIETSCHEL, BUSANO stated that DEITSCHEL had limited contact with borrowers and limited loan processing duties. BUSANO admitted to forging DEITSCHEL'S signature on the above-referenced 70 loan applications.
19. In order to further conceal unlicensed loan origination activity, APOLLO MORTGAGE allowed BUSANO to enter licensed Mortgage Loan Originator DEITSCHEL's name into the APLD as the loan originator of record for 38 loans (denoted by an asterisk in Table 1 above).
20. BUSANO also failed to enter into the APLD five loans (denoted by a bullet point in Table 1 above) as required by the RRPDA.
21. With respect to the APLD, BUSANO entered 42 loans after the 10-day requirement and ranging from 19 to 281 days late.
22. APOLLO MORTGAGE advertised, and also allowed BUSANO to advertise and present himself as a loan originator through the website Zillow.com and Lendingtree.com without having the benefit of possessing a valid mortgage loan originator license in Illinois.
23. APOLLO MORTGAGE failed to notify the Department that BUSANO was exerting management controls over the company and failed to submit BUSANO for requisite background checks by the Department of BUSANO's qualifications to act in that capacity for APOLLO MORTGAGE.
24. APOLLO MORTGAGE, through BUSANO, submitted an application to surrender the License in or around October 2011. The Department subsequently notified APOLLO MORTGAGE and owner D'ALESIO of the required actions to complete this application, including resolving all open matters with the Department; however, APOLLO MORTGAGE and D'ALESIO never so

complied or completed the surrender application. APOLLO MORTGAGE further failed to renew the License and it lapsed inactive on December 31, 2011.

LEGAL CONCLUSIONS

BASED UPON THE ABOVE FACTUAL FINDINGS, THE DEPARTMENT CONCLUDES:

1. APOLLO MORTGAGE has violated Sections 2-3, 2-4(z), 2-6, 4-5(i)(2), (11), (17), and (18) of the Act, and Sections 1050.910, 1050.1140 and 1050.2125 of the Rules, and Sections 70(c) and 72(4) of the RRPDA.

NOW IT IS HEREBY ORDERED THAT:

1. The Department REVOKES Apollo Mortgage Finance Corp., License No. MB.0006086 pursuant to Sections 4-5(h-1) and 4-5(h)(1).
2. The Department assesses a FINE against Apollo Mortgage Finance Corp. in the amount of \$25,000 pursuant to Sections 4-1(h-1) and 4-5(h)(5) of the Act. The fine is payable by certified check or money order within (30) days of the effective date of this Order to the:

**Department of Financial and Professional Regulation
Division of Banking
Attention: FISCAL DIVISION
320 W. Washington, 5th Floor
Springfield, Illinois, 62786**

ORDERED THIS 18TH DAY OF OCTOBER, 2013

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
MANUEL FLORES, ACTING SECRETARY
DIVISION OF BANKING

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 \$500 hearing fee by certified check or money order shall be filed with the Department at 320 West Washington Street, 5th Floor, Springfield, IL 62786 within 10 days after the receipt of an administrative decision. The request for hearing must include an explicit admission, denial, or appropriate response to each allegation or issue contained in the administrative decision pursuant to 38 Ill. Adm. Code 1050.1570. 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.*].