

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF:)
)
) No. 2013-MBR-80
FIRST STAR FINANCIAL CORPORATION)
License No. MB. 6759248)
Attention: Damon Dumas)
1325 Remington Rd. Suite U)
Schaumburg, Illinois 60173)

ORDER ASSESSING FINE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (the “Department”), having reviewed the activities of **FIRST STAR FINANCIAL CORPORATION** (“First Star”) and having 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 for violations of the Act and Rules.

STATUTORY PROVISIONS

1. Section 2-4 of the Act requires a licensee to aver in the following subsections: (d) to file with the Department or Nationwide Mortgage Licensing System and Registry as applicable, when due, any report or reports which it is required to file under any of the provisions of this Act; (s) to advise the Commissioner in writing, or the Nationwide Mortgage Licensing System and Registry as applicable, of any changes to the information submitted on the most recent application for license within 30 days of said change; (t) to comply with the provisions of this Act, or with any lawful order, rule or regulation made or issued under the provisions of this Act.
2. Section 4-5(h) of the Act, in part, provides in subsection (5) that when the Director finds any person in violation of the grounds set forth in subsection (i), the Director may enter an order imposing the penalty of a fine not to exceed \$25,000 for each separate offense.
3. Section 4-5(i) of the Act sets forth acts by a licensee that shall constitute grounds for disciplinary action specified in Section 4-5(h) of the Act. Subsection (i) (11) is for failure to comply with any order of the Secretary or rule made or issued under provisions of the Act. Subsection (i)(17) is for failure to comply with or violation of any provision of the Act.
4. Section 1050.470 of the Rules provides that each licensee shall be required to provide notification to the Department within two (2) days of the licensee becoming the subject of any other Federal or State governmental agency’s proceedings which could affect the licensee’s authority to do business as a licensee.

FACTUAL FINDINGS

5. First Star, with its corporate office of record located at 1325 Remington Rd. Suite U, Schaumburg, Illinois 60173, is a residential mortgage broker holding Illinois residential mortgage license number MB. 6759248.
6. On or around August 15, 2013, the Department was notified, by a source other than First Star that First Star failed to comply with a Final Order that was ordered on November 17, 2010 against First Star by the Washington State Department of Financial Institutions (“WA DFI”).
7. Pursuant to the Final Order, First Star was ordered to pay to WA DFI’s Division of Consumer Services a fine of \$7,500 and investigation fee of \$840, as well as restitution to consumers in the amount of \$1,488.
8. On October 17, 2013 the Department sent a Potential Discipline Letter to First Star regarding the Final Order.
9. On October 28, 2013 the Department received a written response from First Star. First Star responded that it had made a payment of \$1,488 to consumers, but that First Star had not paid either the \$7,500 fine or \$840 investigation fee to WA DFI. First Star later re-affirmed this non-payment status in response to a further Department inquiry.

LEGAL CONCLUSIONS

10. First Star has violated Sections 2-4(d),(s) & (t) and 4-5(i)(11) & (18) of the Act, and Section 1050.470 of the Rules.

NOW IT IS HEREBY ORDERED THAT,

1. The Department assesses a FINE against FIRST STAR FINANCIAL CORPORATION, License number MB.6759248 in the amount of \$5,000 pursuant to Section 4-5(h)(5) of the Act. The fine is 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
Attention: FISCAL DIVISION
320 W. Washington, 5th Floor
Springfield, Illinois 62786.**

ORDERED THIS 19TH DAY OF DECEMBER, 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].