

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DIVISION OF BANKING

IN THE MATTER OF:)
)
) No: 2010-LO-21
JEFFERY TOWNSEND)
2002 Juniper Court)
Glendale Heights, Illinois 60139)

ORDER REVOKING
LOAN ORIGINATOR REGISTRATION AND ASSESSING FINE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking, (“Department”), having conducted an investigation of the facts related to registered Loan Originator Jeffery Townsend, (“Registrant”), 2002 Juniper Court, Glendale Heights, Illinois 60139 and having found that the Registrant has committed violations cited herein of the Residential Mortgage License Act of 1987 (“Act”) [205 ILCS 635], and of the rules promulgated under the Act (“Rules”) [38 Ill. Adm. Code 1050], hereby issues this Order pursuant to the authority provided under Section 7-1 of the Act and Sections 1050.2170(a)(1)&(2) of the Rules. The Department makes the following findings:

FINDINGS

- 1. That Registrant holds an Illinois Loan Originator Registration No. 031.0009377 (“Registration”) and has the address of 2002 Juniper Court, Glendale Heights, Illinois 60139 ;
- 2. That Registrant was an owner of and working under the Illinois residential mortgage license of Atlas Preferred Mortgage, LLC (License No. MB. 6760306; “Licensee”) for all purposes of this Order;
- 3. That in September 2009, the Department received a complaint of fraudulent title and mortgage activities connected to loans closed through Traditional Title and commenced an extensive six-month investigation for evidence of fraud in residential mortgage transactions and with a primary focus upon the financing of approximately 27 condominium units, now in foreclosure, located at 4725 S. Michigan Avenue, Chicago, Illinois (“4725 S. Michigan Avenue”), but with additional residential properties located in Chicago, Illinois at 4243 N. Keystone, 5416 S. Michigan Avenue, 6621 S. Ingleside, 7919 S. Phillips, and 7921 S. Phillips;

4. That the Department through its Banking Division, and in coordination with the Divisions of Financial Institutions and Professional Regulation, collected evidence of activities perpetrating or in support of a mortgage fraud scheme whereby mortgage brokers, loan originators, straw-buyers, and others were recruited or induced and compensated to participate in the origination of loans using false occupancy, employment, and bank account information on loan applications to fraudulently obtain loan proceeds from lenders on the loans;
5. That on or around March 1, 2010, the Department filed the Post Investigative Report (“Investigative Report”) detailing the involvement of seven respondent mortgage companies and six loan originator individuals and containing the supporting evidence and documentation from the investigation;
6. That Registrant was one of the six loan originators involved in the scheme by allowing his name and Registration to be used on at least nine loans including the following borrowers: LH (2), PT (2), NV, EK, KD, AO and WC.
7. That Registrant allowed the use of his name and Registration by a loan originator, Razzak A. Khader (“Khader”) who was unable to originate loans through Licensee because Khader was not sponsored by Licensee at the time;
8. That the loans Khader submitted for the above referenced borrowers included falsification of primary residence and employment verification; and
9. That Registrant knew or should have known by allowing loans to be originated with Registrant’s name and Registration without Registrant actually working on the loan file was a misrepresentation to the lender and that Registrant would be responsible for any fraud within said files. These misrepresentations and dishonest dealings are violations of the Act and the Rules.

CONCLUSIONS

BASED UPON THE ABOVE FINDINGS, THE DEPARTMENT IS OF THE OPINION AND CONCLUDES:

Registrant’s activities under Certificate of Registration No. 031.0009377 as cited herein warrant a revocation and fine pursuant to Rules Sections 1050.2165 (b), (c) and (e).

ORDER

NOW THEREFORE IT IS HEREBY ORDERED:

1. That Jeffery Townsend, Certificate of Registration No. 031.0009377, is revoked by Order of the Department pursuant to Section 1050.2170(a) of the Rules and Section 7-1 of the Act.
2. That Jeffery Townsend shall be and hereby is assessed a fine of \$20,000 for violating the Act and Rules cited herein pursuant to Rule section 1050.2170(a)(2);
3. The total fine in the amount of \$20,000 shall be due thirty (30) days after the effective date of this Order; and
4. The fee in the amount of \$20,000 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: Loan Originator Section
320 W. Washington
Springfield, Illinois, 62786**

ORDERED THIS ____ DAY OF _____, 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. You have the opportunity to request a hearing regarding this matter for a fee of \$250 plus the transcript fee pursuant to 38 Ill. Adm. Code 1050.2175. The request for a hearing shall be filed within 10 days after the receipt of an administrative decision. A hearing shall be held by the Department of Financial and Professional Regulation, Division of Banking on the administrative decision. Absent a request for a hearing, this Order shall constitute a final administrative decision subject to the Administrative Review Law [735 ICLS 5/3-101 *et seq.*]

State of Illinois (
 (ss:
 County of Cook (

The undersigned, being duly sworn on oath, states that on ____/____/____, I mailed with sufficient postage affixed, a copy of the foregoing **ORDER REVOKING LOAN ORIGINATOR REGISTRATION AND ASSESSING FINE** by regular and certified mail, return receipt requested at 122 S. Michigan Avenue, Suite 1900, Chicago, Illinois 60603, to the address of Registrant's Licensee registered with IDFPR Division of Banking listed below:

JEFFERY TOWNSEND
2002 Juniper Court
Glendale Heights, Illinois 60139

AFFIANT

Subscribed and sworn to before me,
this ____ day of _____, 2010

NOTARY PUBLIC
