

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF:)
)
) No: 2010-LO-25
KIPCHOGE FOSTER)
)
1280 Cranbrook Circle)
)
Aurora, Illinois 60563)

**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 Kipchoge Foster, (“Registrant”), 1280 Cranbrook Circle, Aurora, Illinois 60563 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. 031.0013481 (“Registration”) and has the address of 1280 Cranbrook Circle, Aurora, Illinois 60563;
2. That Registrant was working under the Illinois residential mortgage license of Mortgage Direct, Inc. (License No. MB. 6759244; “Licensee”) for all purposes of this Order;
3. That on December 7, 2009, the Department received a complaint from Licensee that two of Licensee’s loan originators, J. Michael Ross (“Ross”; Registration No. 031.0008013 “Ross’ Registration”) and Registrant, had engaged in submitting a fraudulent loan for Borrower LH for a residential property located at 9044 S. Dauphin Avenue, Chicago, Illinois 60619 (the “LH Loan”);
4. That on December 8, 2009, the Department opened an investigation and the assigned Department Investigator (the “Investigator”) interviewed G. Dahleh and reviewed documents relating to the LH Loan; G. Dahleh informed the Investigator that the investor declined to purchase the LH Loan and placed

Licensee's credit line in jeopardy, because it had learned Registrant was involved in the origination of the LH Loan (although Ross' name was on various loan origination documents) and that Registrant had a financial interest in the property and had received over \$71,000 from the closing through Registrant's company American Dream Makers;

5. That on December 14, 2009, the Investigator interviewed the Borrower LH and learned that LH had been purchasing foreclosed properties and was referred to Registrant for financing of the LH Loan; LH told the Investigator that Registrant was the person who originated the LH Loan through Licensee; LH told the Investigator that the LH Loan failed to close on 11/20/2009 for failure to resolve a dispute over money due at closing and Registrant's history with the investor;
6. That through the investigation it was further found that Registrant had previously signed off and used his Registration for two loans for borrowers B.K. and A.M. originated by Ross because Ross had not been properly transferred to Licensee at the time. This was done to ensure that the loans would have a loan originator credential in order to be processed and underwritten; and
7. That Registrant knowingly used Ross' name Ross' Registration to submit fraudulent information through Licensee to a Lender to their detriment and to conceal his personal conflict of interest in the transaction. In turn Registrant also committed fraud by signing off and using his Registration on two loans that Ross originated so that the loans would be funded. Registrant's fraudulent actions and dishonest dealings were in 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. 031.0013481 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 Kipchoge Foster, Certificate of Registration No. 031.0013481, 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 Kipchoge Foster shall be and hereby is assessed a fine of \$10,000 for violating the Act and Rules cited herein pursuant to Rule section 1050.2170(a)(2);
3. The total fine in the amount of \$10,000 shall be due thirty (30) days after the effective date of this Order; and
4. The fee in the amount of \$10,000 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:

KIPCHOGE FOSTER
1280 Cranbrook Circle
Aurora, Illinois 60563

AFFIANT

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

NOTARY PUBLIC
