

**STATE OF ILLINOIS**

**DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION**

**DIVISION OF BANKING**

IN THE MATTER OF: )  
 ) No. 2011-MLO-CD-1  
**JEFFERY TOWNSEND** )  
2002 Juniper Court )  
Glendale Heights, Illinois 60139 )

**ORDER TO CEASE AND DESIST & ASSESSING FINE**

The Illinois Department of Financial and Professional Regulation, Division of Banking (“Department”) hereby issues to Jeffrey Townsend (“Townsend”) this ORDER TO CEASE AND DESIST & ASSESSING FINE (“Order”). This Order is authorized by and issued pursuant to the Article VII of the Residential Mortgage License Act of 1987 (“Act”) [205 ILCS 635] and the rules promulgated thereunder (“Rules”) [38 Ill. Adm. Code 1050.2170].

**FINDINGS OF FACT**

The Department makes the following Findings of Fact:

1. That on March 8, 2010, the Department issued Orders No. 2010-MBR-09 (“Order”) revoking the Illinois residential mortgage license of Atlas Preferred Mortgage, LLC (MB. 6760306; “Atlas”), in which Townsend was one of the owners of, and No. 2010-LO-21 revoking Townsend’s Loan Originator Certificate of Registration number 031.0009377 due to Atlas’ and Townsend’s involvement in fraudulent mortgage activities as cited therein;
2. That Atlas and Townsend did not request an administrative hearing on the aforementioned orders and the licenses were revoked as final orders. The Department also fined Atlas and Townsend in the aforementioned orders in the amounts of \$100,000 and \$20,000 respectively. Atlas and Townsend have failed to submit any payment for their fines to the Department. On November 3, 2010, the Department received a \$20,000 surety bond claim payment for Atlas, but a combined \$100,000 in fines from Atlas and Townsend remain due and owing to the Department;
3. That on December 13, 2010, the Department through the Division of Professional Regulation – Real Estate Investigations became aware of a complaint that a buyer was having difficulty in getting a sales transaction completed through Atlas and Townsend.
4. That the Department opened an investigation of unlicensed practice by Atlas and Townsend and conducted interviews of the complainant, real estate and mortgage licensees connected to the complaint, and Townsend as well as collecting documentation all showing that Atlas and Townsend engaged in unlicensed activities after revocation of their licenses. The documentation included a pre-approval letter for the complainants’ residential mortgage loan from Townsend dated 4/6/2010, real estate offer and acceptance and Loan Status Disclosure forms listing Atlas

and Townsend and a pre-Qualification Certificate from Townsend all on or around 9/10/2010. Some of these documents were falsely attributed by Townsend to another actively licensed mortgage company which Townsend sought employment in March 2010 and another Atlas loan originator familiar to Townsend;

5. That in January 2011, the Department closed said investigation with findings in the Report of Investigation (ROI) of violations of the Act and Rules by Atlas and Townsend for unlicensed practices after revocation of their licenses and the Department has reasonable cause to believe that an unsafe, unsound, or unlawful practice has occurred, is occurring, or is about to occur as to Atlas and Townsend.

### **CONCLUSIONS OF LAW**

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

Respondent's activities warrant a cease and desist with a fine pursuant to Article VII of the Act and Section 1050.2170 (c) of the Rules.

### **ORDER**

NOW THEREFORE IT IS HEREBY ORDERED:

1. That Jeffrey Townsend shall cease and desist from all loan originating and solicitation activities;
2. That Jeffrey Townsend shall be and hereby is assessed a fine of \$10,000 for violating the Act and Rules cited herein pursuant to Article VII of the Act and Rules 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 fine 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 \_\_\_\_\_, 2011

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
BRENT E. ADAMS, SECRETARY  
DIVISION OF BANKING

\_\_\_\_\_  
MANUEL FLORES, 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. The request for a hearing and \$250 hearing fee by certified check or money order shall be filed with the Department at 320 West Washington Street, Springfield, IL 62786, ATTN: Loan Originator Section 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.*].

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 **CEASE AND DESIST ORDER & ASSESSING FINE** by U.S. registered mail, return receipt requested, at 122 S. Michigan Avenue, Suite 1900, Chicago, Illinois 60603, to the address listed below:

JEFFERY TOWNSEND  
2002 Juniper Court  
Glendale Heights, Illinois 60139

\_\_\_\_\_  
AFFIANT

Subscribed and sworn to before me,  
this \_\_\_\_ day of \_\_\_\_\_, 2011

\_\_\_\_\_  
NOTARY PUBLIC