

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF:

RICHARD LURIE
1763 Winthrop Road
Highland Park, Illinois 60035

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No. 2012-MLO-06

ORDER ASSESSING FINE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (“Department”), having investigated the activities of Mortgage Loan Originator Richard Lurie (“Lurie”), 1763 Winthrop Road, Highland Park, Illinois 60035 pursuant to the Residential Mortgage License Act of 1987 (“Act”) [205 ILCS 635], hereby issues this Order for violations of the Act.

STATUTORY PROVISIONS

1. Section 7-13 of the Act provides a list of prohibited acts and practices for mortgage loan originators, in relevant part as follows: (1) directly or indirectly employ any scheme, or artifice to defraud or mislead borrowers or lenders or to defraud any person; (2) engage in any unfair or deceptive practice toward any person; (5) solicit, advertise, or enter into a contract for specific interest rates, points, or other financing terms unless the terms are actually available at the time of soliciting, advertising, or contracting; (7) fail to make disclosures as required by this Act and any other applicable State or federal law, including regulations thereunder; (8) fail to comply with this Act or rules or regulations promulgated under this Act, or fail to comply with any other state or federal law, including the rules and regulations thereunder, applicable to any business authorized or conducted under this Act; (9) make, in any manner, any false or deceptive statement or representation of a material fact, required on any document or application subject to this Act; (11) make any payment, threat or promise, directly or indirectly, to any person for the purpose of influencing the independent judgment of the person in connection with a residential mortgage loan, or make any payment, threat or promise, directly or indirectly, to any appraiser of a property, for the purpose of influencing the independent judgment of the appraiser with respect to the value of the property; and (15) engage in conduct that constitutes dishonest dealings.
2. Section 7-11 of the Act states in relevant part that the Secretary may impose a fine of not more than \$1,000 for each day for each violation for violating the Act or any applicable law or regulation that is committed.

FACTUAL FINDINGS

3. Lurie is an Illinois Mortgage Loan Originator holding license No. 031.0013196 (“License”), and having the address of 1763 Winthrop Road, Highland Park, Illinois 60035.
4. Lurie was working under the Illinois residential mortgage license of First Equity Home Loans, LLC (MB. 6760771, “First Equity”) for all purposes of this Order.
5. The Department received a complaint from the Complainant (“G.K.”) alleging deceptive and misleading mortgage activities in connection with the loan G.K. obtained through Lurie and First Equity (“G.K.’s Loan”) for a residential property located in Lombard, Illinois (“Property”).
6. G.K., in his complaint, asserted that Lurie misled him into believing that G.K. would have a no-cost loan if G.K. refinanced with Lurie and First Equity. G.K. relied on Lurie’s promises of a no-cost loan and agreed to refinance with Lurie and First Equity.
7. During the course of the loan refinancing activities, however, G.K. had to pay additional title fees in the amount of \$198.25. Despite Lurie’s deceptive assurances to refund the amount after the closing of the loan, Lurie failed to reimburse G.K. for the incurred fees.
8. The Department reviewed the servicing file for G.K.’s Loan, as well as the electronic correspondence between G.K. and Lurie, and identified misleading statements and deceptive activity.
9. The Department found that on 09/22/2011, Lurie sent G.K. an e-mail affirming that G.K. “will have NO costs associated with the loan,” but clarified that due to his inability to “transfer the costs,” G.K. will still have to make a title extension fee payment in the amount of \$160. Lurie guaranteed that G.K. will be reimbursed upon closing of the loan. Specifically, Lurie promised to “reimburse...the full \$160 upon payment of [Lurie’s] commissions” on 10/15/2011. G.K. relied on Lurie’s affirmations and agreed to pay the required fees.
10. On 10/19/2011, Lurie sent G.K. an e-mail indicating that “[t]he title charges came in \$38 higher” and that Lurie owes G.K. “\$198.95 exactly.” G.K., in reliance on Lurie’s guarantee of reimbursement, G.K. agreed to pay the amount.
11. The closing took place on 10/19/2011, and on 10/20/2011 Lurie sent G.K. an e-mail misleadingly assuring G.K. that “as promised, [I] will e-mail you a money order for \$198.25 on the 31st to your home address.” Lurie never made the payment.
12. On 02/15/2012, Lurie sent G.K. an e-mail admitting that he has not fulfilled his promises, alleging that he sent the money order, but it was returned, and subsequently suggesting a payment plan. G.K. declined the payment plan.

13. Despite the fact that First Equity knew of the complaint about the added fees and Lurie's misleading statements, First Equity failed to resolve the issue.
14. The Investigator provided in the report of investigation ("ROI"), amongst other violations found against First Equity, specific violations committed by Lurie, which include employing a scheme to mislead G.K., entering a contract with G.K. for specific financing terms that are not available at the time of contracting, making false and deceptive statements of material fact, engaging in unfair and deceptive practices, failing to make required disclosures under the Act, failing to comply with the Act, making promises for the purpose of influencing G.K.'s independent judgment in connection with G.K.'s residential loan, and engaging in conduct that constitutes unfair dealings.

LEGAL CONCLUSIONS

15. Richard Lurie violated Sections 7-13(1), (2), (5), (7), (8), (9), (11) and (15) of the Act.

NOW IT IS HEREBY ORDERED THAT,

The Department assesses a **FINE** against Richard Lurie in the amount of \$2,000 based on the violations 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
ATTN: Loan Originator Section
320 W. Washington, 5th Floor
Springfield, Illinois, 62786.**

ORDERED THIS ____ DAY OF _____, 2012

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 (
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 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 ASSESSING FINE** by regular and certified mail, return receipt requested at 122 S. Michigan Avenue, Suite 1900, Chicago, Illinois 60603, to the address of Respondent registered with IDFPD Division of Banking listed below:

AFFIANT

Subscribed and sworn to before me,
this ____ day of _____, 2012

NOTARY PUBLIC

Send to:

Richard Lurie
1763 Winthrop Road
Highland Park, Illinois 60035