

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF:

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No. 2013-MLO-08

**JORGE A. PAREDES**

IL License No. 031.0031623

8147 W. Memory Lane

Chicago, Illinois 60656

**ORDER REVOKING MORTGAGE  
LOAN ORIGINATOR LICENSE AND ASSESSING FINE**

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (“Department”), having conducted an investigation of JORGE PAREDES (“PAREDES”), 8147 W. Memory Lane, Chicago, Illinois 60656, found violations of the Residential Mortgage License Act of 1987 (“Act”) [205 ILCS 635] and rules promulgated thereunder [38 Ill. Adm. Code 1050] (“Rules”), and issues to PAREDES this ORDER REVOKING MORTGAGE LOAN ORIGINATOR LICENSE AND ASSESSING FINE.

**STATUTORY PROVISIONS**

1. Section 7-3(3) of the Act states that to be issued a license an applicant must have demonstrated financial responsibility, character, and general fitness so as to command the confidence of the community and to warrant a determination that the mortgage loan originator will operate honestly, fairly, and efficiently within the purpose of this Act.
2. Section 7-11 of the Act authorizes the Department to fine, or otherwise discipline, the license of a Mortgage Loan Originator if the Secretary finds that the Mortgage Loan Originator has violated this Act or any other applicable law or regulation. A maximum fine is authorized of \$1,000 for each day for each violation of this Act or other applicable law or regulation that is committed, and may be double for repeat violations.
3. Section 7-13 of the Act prohibits certain acts and practices by mortgage loan originators (“MLO”) including negligently making any false statement or knowingly and willfully making any omission of material fact in connection with any information or report filed with Nationwide Mortgage Licensing System (“NMLS”), MLOs are prohibited from violating any State law and engaging in conduct that constitutes dishonest dealings.
4. Section 1050.370 of the Rules states that MLO must notify the Director through NMLS within 30 days if information contained within the initial application or any renewal application is no longer current and must file accurate supplemental information.

### FACTUAL FINDINGS

5. PAREDES is a Mortgage Loan Originator holding License No. 031.0031623.
6. PAREDES was first issued his loan originator registration from April 14, 2006 to December 31, 2010. PAREDES was first issued his MLO license on December 27, 2011.
7. An Investigation was prompted when the Division of Banking became aware of a case brought by the Division of Professional Regulation in which PAREDES Real Estate Broker's License was revoked on October 21, 2011 (Case No. 2010-09391, "Real Estate Order"). The Real Estate Order found that the Respondent violated the Real Estate License Act of 2000 (225 ILCS 454, "Real Estate Act") by failing to maintain escrow moneys in a special account; failing to make records available to the Real Estate Division; failing, as a managing broker, to supervise special accounts; and dishonorable/unethical/unprofessional conduct. In addition to being revoked for these violations, PAREDES was fined \$50,000.
8. PAREDES submitted his original MU4 application through NMLS on June 4, 2010 to become a licensed MLO. Under the section of the MU4 titled, "Disclosure Questions," subpart 8(I) read, "Has any State or federal regulatory agency or foreign financial regulatory authority ever:
  - (1) found you to have made a false statement or omission or been dishonest, unfair or unethical?
  - (2) found you to have been involved in a violation of a financial services-related business regulation(s) or statute(s)?
  - (3) found you to have been a cause of a financial services-related business having its authorization to do business denied, suspended, revoked or restricted?
  - (4) entered an order against you in connection with a financial services-related activity?
  - (5) revoked your registration or license?
  - (6) denied or suspended your registration or license, disciplined you, or otherwise by order, prevented you from associating with a financial services-related business or restricted your activities?
  - (7) barred you from association with an entity regulated by such commissions, authority, agency, or officer, or from engaging in a financial services-related business?
  - (8) issued a final order against you based on violations of any law or regulations that prohibit fraudulent, manipulative, or deceptive conduct?(J) Have you ever had an authorization to act as an attorney, accountant, or State or federal contractor that was revoked or suspended?  
(K) Are you now the subject of any regulatory action proceeding that could result in a "yes" answer to any part of I or J?"

PAREDES answered no to all of these questions.

9. PAREDES has amended his MU4 at least seven times since he initially applied including three times since the Real Estate Order was issued. The MU4 "Disclosure Questions" were updated by NMLS in the MU4 applications he amended the most recent three times. The revised "Disclosure Questions," subpart "Regulatory Action" read,

- (1) found you to have made a false statement or omission or been dishonest, unfair or unethical?
- (2) found you to have been involved in a violation of a financial services-related business regulation(s) or statute(s)?
- (3) found you to have been a cause of a financial services-related business having its authorization to do business denied, suspended, revoked or restricted?
- (4) entered an order against you in connection with a financial services-related activity?
- (5) revoked your registration or license?
- (6) denied or suspended your registration or license or application for licensure, disciplined you, or otherwise by order, prevented you from associating with a financial services-related business or restricted your activities?
- (7) barred you from association with an entity regulated by such commissions, authority, agency, or officer, or from engaging in a financial services-related business?
- (8) issued a final order against you based on violations of any law or regulations that prohibit fraudulent, manipulative, or deceptive conduct?
- (9) entered an order concerning you in connection with any license or registration?

Parades answers continued to be “No” to all of these questions even though he was required to amend them no later than thirty days after the Real Estate Order was issued.

10. Each time PARADES made an amendment he was required to give an oath that his answers “are current, true, accurate and complete and are made under the penalty of perjury.”
11. PAREDES also renewed through NMLS. PAREDES attested, as part of the renewal, that he believed the information contained in his online record was true, accurate and complete and acknowledged that he had a duty to expediently update and correct the information as it changes.
12. At no time did PAREDES change any answer related to Real Estate Order.

## **LEGAL CONCLUSION**

### **COUNT I**

13. PAREDES failed to report in NMLS regarding the Real Estate Order in violation of Section 7-13(10) of the Act and Section 1050.370 of the Rules.

### **COUNT II**

14. PAREDES failed to comply with Real Estate Act as found in Real Estate Order in violation of Section 7-13(8) of the Act.

### **COUNT III**

15. PAREDES failed to demonstrate character, and general fitness as defined in Section 7-3(3) and in violation of Section 7-13(15) of the Act.

**NOW IT IS HEREBY ORDERED THAT,**

1. The Department **REVOKES** JORGE A. PAREDES' Mortgage Loan Originator License No. 031.0031623 pursuant to Sections 7-11 of the Act.
2. The Department assesses a **FINE** against JORGE A. PAREDES in the amount of \$5,000 (\$1,000 per citation) pursuant to Sections 7-11 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, 5<sup>th</sup> Floor  
Springfield, Illinois, 62786.**

ORDERED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2013

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
MANUEL FLORES, ACTING SECRETARY

DIVISION OF BANKING

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You are hereby notified that this Order is an administrative decision. Pursuant to 205 ILCS 635/412 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, 5<sup>th</sup> Floor, 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 **ORDER REVOKING MORTGAGE LOAN ORIGINATOR LICENSE AND ASSESSING FINE** by regular and certified mail, return receipt requested at 100 W. Randolph St., Chicago, Illinois 60601, to the address of Respondent registered with IDFPR Division of Banking listed below:

\_\_\_\_\_  
AFFIANT

Subscribed and sworn to before me,  
this \_\_\_\_ day of \_\_\_\_\_, 2013

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

Sent to:

JORGE A. PAREDES  
IL License No. 031.0031623  
8147 W. Memory Lane  
Chicago, Illinois 60656