

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

IN THE MATTER OF:)
)
) No. 2014-MLO-CD-04
RICARDO ARVIZU)
c/o Business World Financial)
4003 N. Broadway, Suite 5)
Chicago, IL 60613)

**ORDER TO CEASE AND DESIST FROM UNLAWFUL
RESIDENTIAL MORTGAGE ACTIVITIES AND ASSESSING FINE**

The **DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION**, Division of Banking (“Department”), having conducted an investigation of **RICARDO ARVIZU** (“ARVIZU”), 9909 W. Roosevelt Rd., #104, Westchester, IL 60154 (last address of record), in connection with his residential mortgage activities with unlicensed company Business World Financial, 4003 N. Broadway, Suite 5, Chicago, Illinois 60613 and having found violations of the Residential Mortgage License Act of 1987 (“Act”) [205 ILCS 635] the rules promulgated under the Act (“Rules”) [38 Ill. Adm. Code 1050], and the Mortgage Rescue Fraud Act (“MRFA”) [765 ILCS 940], hereby issues this **ORDER TO CEASE AND DESIST FROM UNLAWFUL RESIDENTIAL MORTGAGE ACTIVITY AND ASSESSING FINE**.

STATUTORY PROVISIONS

1. Section 1-3(a) of the Act provides that no person, partnership, association, corporation, or other entity, unless otherwise exempt, shall engage in the business of brokering, funding, originating, servicing or purchasing of residential mortgage loans without first obtaining a license from the Director of the Department (“Director”).
2. Section 1-3(b) of the Act provides that no person, partnership, association, corporation, or other entity except a licensee under the Act or an entity exempt from licensure shall do any business under any name title, or circulate or use any advertising or make any representation nor give any information to any person, which indicates or reasonably implies activity within the scope of the Act.
3. Section 1-3(d-1) of the Act provides that the Director may issue orders against any person if the Director has reasonable cause to believe that an unsafe, unsound, or unlawful practice has occurred, is occurring, or is about to occur, if any person has violated, is violating, or is about to violate any law, rule, or written agreement with the Director, or for the purposes of administering the provisions of the Act and any rule adopted in accordance with the Act.

4. Section 1-3(e) of the Act provides that any person, partnership, association, corporation or other entity who violates any provision of this Section commits a business offense and shall be fined an amount not to exceed \$25,000.
5. Section 1-4(jj) of the Act defines a “mortgage loan originator” (“MLO”) as an individual who, for compensation or gain, or in the expectation of compensation or gain (i) takes a residential mortgage loan application, or (ii) offers or negotiates terms of a residential mortgage loan. Included in the definition are individuals who participate in residential mortgage loan modification activities.
6. Section 1-4(yy) of the Act defines “loan modification” to mean for compensation or gain, either directly or indirectly offering or negotiating on behalf of a borrower or homeowner to adjust the terms of a residential mortgage loan in a manner not provided for in the original or previously modified loan.
7. Section 7-1A of the Act states, in part, it is unlawful for any individual to act or assume to act as a MLO, as defined in subsection (jj) of Section 1-4 of the Act, without first obtaining a license from the Department.
8. Section 7-13 of the Act prohibits certain acts and practices by MLOs, including directly or indirectly employing any scheme, device or artifice to defraud or mislead borrowers and conducting any business covered by the Act without holding a valid license. MLOs are prohibited from collecting or charging advance fees for loan modifications. MLOs are prohibited from violating other provisions of State law.
9. The Mortgage Rescue Fraud Act (“MRFA”) [765 ILCS 940] requires any person who, directly or indirectly, for compensation from a distressed owner, makes any solicitation, representation, or offer to perform loan modification activities to provide distressed owners statutorily defined contract terms and notice rights and refrain from taking an interest in the distressed owner’s home or securing advance payments prior to performing the contracted for service.

FACTUAL FINDINGS

10. On July 27, 2013, the Department was approached at a Mortgage Relief Project (MRP) event in Waukegan, Illinois, by Borrower G.C. (“G.C.”) who provided a complaint that ARVIZU and Business World Financial did not provide any loan modification services for the money G.C. paid.
11. ARVIZU does not have an MLO license and is not exempt under the Act to originate loans.
12. ARVIZU owns Business World Financial, which is not licensed by the Department to perform any residential mortgage services.
13. G.C.’s complaint alleges ARVIZU came to her home unsolicited and offered to provide G.C. with a loan modification.

14. G.C.'s complaint alleges that ARVIZU wanted \$2,500 paid up-front for the loan modification. G.C. declined ARVIZU'S offer at that time.
15. G.C.'s complaint alleges that ARVIZU called G.C. daily for about a week and G.C. finally agreed to meet with ARVIZU to proceed with the loan modification.
16. G.C.'s complaint alleges that on April 21, 2012, ARVIZU met G.C. at G.C.'s home. G.C. wrote a check in the amount of \$1,000 towards the \$2,500 initial up-front fee. ARVIZU told G.C. to write "Forensic Loan Audits" in the memo of the check. G.C. asked for a receipt, but ARVIZU declined G.C.'s request and did not give G.C. a receipt.
17. G.C.'s complaint alleges that on May 9, 2012, ARVIZU came to G.C.'s home and informed G.C. that he could not get her a loan modification, but informed G.C. that G.C.'s daughter could get a loan. G.C. wrote another check in the amount of \$300 for services Arvizu was to perform for G.C.'s daughter. G.C.'s daughter supplied ARVIZU with copies of her tax returns, paystubs, and social security card.
18. G.C. alleges in her complaint that ARVIZU stopped returning G.C.'s phone calls and that he did not provide any assistance to G.C.
19. G.C. provided the Department with an email string between G.C. and ARVIZU in Spanish. G.C. also provided a business card identifying ARVIZU as a foreclosure specialist for Business World Financial, which indicated that residential and commercial forensic loan audits and foreclosure and tax relief services were offered.

LEGAL CONCLUSIONS

COUNT I

20. ARVIZU, without a license, solicited, advertised and offered loan modification services. ARVIZU is in violation of Sections 1-3(a) & (b), 7-1(A)(a), and 7-13(6) of the Act.

COUNT II

21. ARVIZU accepted an upfront payment for loan modification services he failed to perform. ARVIZU is in violation of Sections 7-13(1), (8) & (12) of the Act and Section 50(a)(1) of the MRFA.

NOW IT IS HEREBY ORDERED THAT:

1. RICARDO ARVIZU shall **CEASE AND DESIST** from soliciting or offering to modify residential mortgage loans, and engaging in any other licensable activities under the Act pursuant to Section 1-3(d-1) of the Act.
2. RICARDO ARVIZU shall pay a **FINE** in the amount of \$25,000 as authorized under Section 1-3(e) of the Act. The fine is payable by certified check or money order within thirty (30) days after the effective date of this Order to the:

**Department of Financial and Professional Regulation
Division of Banking
Attention: FISCAL DIVISION
320 W. Washington, 5th Floor
Springfield, Illinois, 62786**

ORDERED THIS ____ DAY OF _____, 2014

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DIVISION OF BANKING

SHEILA SAEGH HENRETTA
ACTING 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 affected party may file a request for a hearing on a decision by the Director. The request for a hearing and \$250 hearing fee is payable by certified check or money order and must be filed with the Department at 320 West Washington Street, 5th Floor, and Springfield, IL 62786 within 10 days after the appealing party's receipt of this Order. The request for hearing must include an explicit admission, denial, or appropriate response to each allegation or issue contained in this Order pursuant to 38 Ill. Adm. Code 1050.1570. After receipt of a proper and timely request for hearing, 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].

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 TO CEASE AND DESIST FROM UNLAWFUL RESIDENTIAL MORTGAGE ACTIVITIES AND ASSESSING FINE by regular and certified mail, return receipt requested at 100 W. Randolph St., Chicago, Illinois 60601, to the name/addresses listed below:

AFFIANT

Subscribed and sworn to before me,

this ____ day of _____, 2014

NOTARY PUBLIC

Sent to:

RICARDO ARVIZU
c/o Business World Financial
4003 N. Broadway, Suite 5
Chicago, IL 60613

and

RICARDO ARVIZU
9909 W. Roosevelt Rd.
#104
Westchester, IL 60154

SERIAL #