

**STATE OF ILLINOIS**

**DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION**

**DIVISION OF BANKING**

IN THE MATTER OF:

**KHORRAM CHAUDHRY**

NMLS ID 319412

)

)

)

)

)

)

No. 2018-01

**DENIAL ORDER**

**MORTGAGE LOAN ORIGINATOR LICENSE**

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking, (“Department”), having conducted a review of the application and background of Mortgage Loan Originator (“MLO”) Applicant, **KHORRAM CHAUDHRY** (“CHAUDHRY”), pursuant to the Residential Mortgage License Act of 1987 (“Act”) [205 ILCS 635/1 *et seq.*] and the rules promulgated thereunder (“Rules”) [38 Ill. Adm. Code 1050], hereby issues this **DENIAL ORDER**.

**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 as a MLO, he or she will operate honestly, fairly, and efficiently within the purpose of the Act.

**FACTUAL FINDINGS**

2. CHAUDHRY is an applicant for an Illinois MLO License.
3. CHAUDHRY previously held Illinois Loan Originator Registration No. 031.0019652 for the period of December 19, 2006 to June 30, 2008 and Illinois Loan Originator Registration No 031.0027435 for the period of October 29, 2009 to June 30, 2010.
4. CHAUDHRY was issued an “ORDER TO CEASE AND DESIST FROM UNLAWFUL RESIDENTIAL MORTGAGE ACTIVITIES AND ASSESSING FINE” (“Order”) on October 18, 2013 for originating a loan without having an MLO license. The fine of \$1,000 is outstanding.
5. Additionally, the Department was made aware that CHAUDHRY was issued an “ORDER OF PROHIBITION” by the Illinois Securities Department, Office of the Secretary of State, (“Securities Order”) prohibiting him from rendering investment advice and from offering or selling securities in or from the State of Illinois until the further Order of the Secretary of State. The prohibition went into effect on December 8, 2016.

6. As part of CHAUDHRY's MLO license Application, CHAUDHRY was required to disclose if he was barred from association with an entity regulated by such commissions, authority, agency, or officer, or from engaging in a financial services-related business and if there was an order entered against him in connection with a financial services-related activity.
7. CHAUDHRY answered "No" to all the Regulatory Action disclosure questions and submitted his MLO application without disclosing either the Order or the Securities Order.

### **LEGAL CONCLUSIONS**

8. Based on the foregoing, the Department finds that CHAUDHRY has not demonstrated the character and general fitness to be licensed as a Mortgage Loan Originator pursuant to Section 7-3(3) of the Act.

### **NOW IT IS HEREBY ORDERED THAT,**

The Department **DENIES** KHORRAM CHAUDHRY's application for a Mortgage Loan Originator License, pursuant to 7-3(3) of the Act.

ORDERED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2018

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
BRYAN A. SCHNEIDER, SECRETARY  
DIVISION OF BANKING

---

KERRI A. DOLL, 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, 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.*].**