STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF:	)	
	)	
	)	No. 2009-MBR-128
TRUST ONE MORTGAGE CORPORATION	)	
License No. MB.6759722	)	
Attention: Paul L. Shelton	)	
1010 Jorie Blvd., Ste. 140	)	
Oak Brook, IL 60523	)	

ORDER REVOKING LICENSE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (the "Department"), having investigated, examined, and reviewed activities conducted by Trust One Mortgage Corporation ("Trust One") and having documented violations of the Residential Mortgage License Act of 1987 (the "Act") [205 ILCS 635] and the rules promulgated under the Act (the "Rules") [38 Ill. Adm. Code 1050], hereby issues this ORDER pursuant to the authority provided under Sections 1-3, 4-1, and 4-5 of the Act. The Department makes the following findings:

FINDINGS

1. That Trust One Mortgage Corporation is an Illinois residential mortgage licensee holding license number MB.6759722 (the "License") and located at 1010 Jorie Blvd., Ste. 140, Oak Brook, Illinois 60523;

2. That on December 16, 2008, the Department commenced an examination of Trust One for the exam period 4/1/2006 to 10/31/2008 and the examiner found numerous and repeat violations of the Act and Rules;

3. That the Examiner cited Licensee for repeat violations that had not been corrected from the prior examination of Rules Sections 1050.1010, 1050.1140, 1050.1175, and 1050.1350 (citing 24 C.F.R. Part 3500), and new violation of Rules Sections 1050.1305 and 1050.2120;

4. That on December 23, 2008, the Department mailed its examination findings via U.S. first class postage to Trust One and Trust One was required to return a written response to the cited violations within 30 days or be subject to discipline; that Trust One failed to respond as directed by the Department; and that the Department has reasonable cause to believe that Trust One has operated and continues to operate using unsafe, unsound, or unlawful practices and/or in violation of the Act and Rules;

5. That on February 3, 2009, the Department opened an investigation into a complaint of mortgage fraud for a loan brokered by Trust One in connection with Lessie Towns ("Towns"), an elderly homeowner, facing eviction from her home at 9430 S. Ada, Chicago, Illinois (the "Towns' Property");

6. That the Department conducted interviews and collected documentation showing that Trust One commencing in or around calendar year 2006 and through its owners, officers, principals, employees, agents, and/or loan originators, including Paul Shelton, Peter Blythe, Percilla Moreno, David Offett, James Taylor, and Jeffery Watkins, engaged in a mortgage financing scheme involving the Towns' Property as well as other properties including 304 W. 51st Street, Chicago, Illinois and 5926 S. Parnell, Chicago, Illinois;

7. That the mortgage financing scheme for the Towns' Property included a false representation to Towns of her continued ownership through a trust account or arrangement with Trust One that in fact did not exist; that the Towns' Property was conveyed without Towns' knowledge to Peter Blythe at Trust One; and that the Town's Property was then flipped to a straw-buyer Willie Smith ("Smith") recruited by Jeffery Watkins at Trust One and brokered by Trust One using falsified employment income and documentation for Smith;

8. That through its investigation, the Department determined that Trust One had engaged in fraudulent practices relating to its brokering and the underwriting of the loan for the Towns' Property, as well as a course of false promises, misrepresentations, and improper recordkeeping; and

9. That the Department has reviewed the examination and investigative findings and determined that Trust One has committed numerous and repeat violations of the Act and Rules as cited herein, that the Department has reasonable cause to believe that Trust One has operated and continues to operate using unsafe, unsound, or unlawful practices and/or in violation of the Act and Rules; and that Trust One's brokering activities have contributed to the detriment, harm, or injury of homeowners, lenders, and others.

CONCLUSIONS

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

That notwithstanding notices and other efforts by the Department, Licensee is in violation of Act Sections 1-3, 2-4(c),(f),(j),(k),(r)&(t) and 4-1, and Rules Sections 1050.1010, 1050.1140, 1050.1175, 1050.1305, 1050.1350 and 1050.2120, and is in further violation of Sections 4-5(i)(2), (11), and (17) of the Act.

ORDER

NOW THEREFORE IT IS HEREBY ORDERED that the license of TRUST ONE MORTGAGE CORPORATION, License No. MB.6759722 is revoked by Order of the Department for failure to comply with the provisions cited herein of the Act and Rules, and that said License is fined $20,000 in

the full amount of the surety bond maintained by Nationwide Lending Corporation pursuant to Section 3-1 of the Act and Section 1050.490 of the Rules, effective ten days after receipt of this Order, unless you request a hearing pursuant to the Act and Subpart N of the Rules, including remitting the hearing fee required by Section 1050.210 of the Rules.

ORDERED THIS 6th DAY OF May, 2009

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
MICHAEL T. MCRAITH, ACTING SECRETARY

DIVISION OF BANKING

JORGE A. SOLIS, 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 shall be filed within 10 days after the receipt of an administrative decision and, if so requested, 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.*].