

**STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL & PROFESSIONAL REGULATION
DIVISION OF FINANCIAL INSTITUTIONS
TITLE INSURANCE SECTION**

In the matter of)
)
Tristar Title, LLC) 06TI105
)

To: Kelly Sleeter
Tom Hanka
Tristar Title, LLC
1919 S. Highland Ave.
Building B, Suite 330
Lombard, IL 60148

ORDER OF REVOCATION

The ACTING DIRECTOR OF THE DIVISION OF FINANCIAL INSTITUTIONS (the "Director"), having conducted an examination of facts related to Tristar Title, LLC (Tristar), and having found that Tristar violated provisions of the Title Insurance Act (the "Act"), 215 ILCS 155/1 to /25, hereby issues this Order pursuant to the Act.

FINDINGS

1. Tristar is registered under the Act, Agent Registration No. 16-1405, and is subject to regulation by the Department of Financial and Professional Regulation (the "Department").
2. Section 21 of the Act, 215 ILCS 155/21, provides in relevant part:

The Secretary may . . . revoke any certificate of authority, registration, or license issued pursuant to this Act . . . if he determines that the holder of or applicant for such certificate, registration or license:

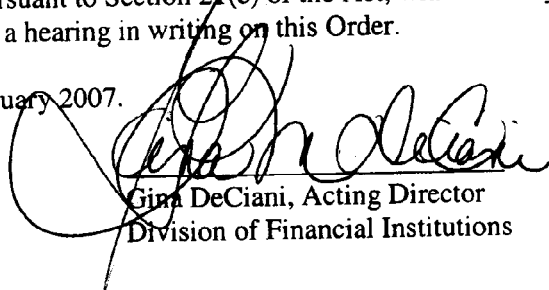
- (1) has intentionally made a material misstatement or fraudulent misrepresentation in relation to a matter covered by [the] Act; [or]
 - (3) has demonstrated untrustworthiness or incompetency in transacting the business of guaranteeing titles to real estate in such a manner as to endanger the public.
3. On February 2, 5, 9, 13-16, and 20-22, 2007, examiners of the Department conducted an examination at Tristar's office at 1919 S. Highland Avenue, Building B, Suite 330 in Lombard, Illinois.

4. In the course of the Department's examination, the examiners identified numerous "land flip" transactions in which Tristar acted as the title agent. In a "land flip" transaction, a person's home is sold to a buyer who immediately sells the home to someone else at a higher price. (Throughout this order, the original owner of the home is referred to as "the original homeowner," and the party who buys then sells the home is referred to as "the first buyer.")
5. The first buyer's lender in more than 100 of the land flip transactions in which Tristar acted as the title agent was Next Generation Housing, Inc (Next Generation). These transactions are referred to throughout this order as "the Land Flips."
6. The title insurance company underwriter in all the Land Flips was Ticor Title Insurance Company.
7. In one of the Land Flips, which occurred on February 28, 2006, Next Generation financed the sale of a home for \$165,000, and then the home was sold the same day for \$330,000: resulting in \$4,563 in fees for Tristar; \$5,125.18 in fees for Next Generation; and the remainder to various entities in the form of fees, taxes, and sale proceeds. Since the sale, foreclosure proceedings have commenced with respect to the property.
8. The sole owner of Next Generation is Tom Hanka, who also at all relevant times was a 50% owner of Tristar.
9. Next Generation was involuntarily dissolved by the Illinois Secretary of State on May 1, 2006.
10. On February 15, 2007, Hanka confessed to the following.
 - (a) Next Generation continued to do business after it was dissolved by the Secretary of State;
 - (b) Next Generation has never had a license to act as a lender in Illinois;
 - (c) in the Land Flips, when a first buyer sold a home, Next Generation would be repaid the balance due on the loan it made to the first buyer plus a fee; and
 - (d) Tristar handled the closings on all the Land Flips.
11. Tristar never disclosed to the original homeowners the nature and extent of its financial interest in the Land Flips.
12. The activities described in paragraph 5-11 above violate the provisions of the Act cited in paragraph 2 above.
13. Under Section 21(e) of Act, the Secretary may revoke a title agency's registration when the public's interest is at stake.

NOW THEREFORE IT IS HEREBY ORDERED: Tristar's registration is revoked.

Pursuant to Section 21.2 of the Act, this Order takes effect upon completion of service of the Notice of Revocation. Service by certified mail shall be deemed completed when the Notice is deposited in the U.S. Mail. Pursuant to 50 Ill. Admin. Code 8100.100, the Department has also notified Tristar by fax. Pursuant to Section 21(e) of the Act, within 60 days of service of this Order, Tristar may request a hearing in writing on this Order.

Dated this ~~20th~~ ^{24th} day of February 2007.



Gina DeCiani, Acting Director
Division of Financial Institutions

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