

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

IN THE MATTER OF:

**RONY KHEZERAN**

4207 W. Touhy

Lincolnwood, Illinois 60712

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No. 2008-LO-40

**ORDER ASSESSING FINE AND REVOKING  
LOAN ORIGINATOR REGISTRATION**

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, (the Department”), Division of Banking, (the “Division”), having conducted an investigation and examination into the activities related to registered Loan Originator Rony Khezeran (the “Registrant”), and having found that the Registrant has committed violations cited herein of the Residential Mortgage License Act of 1987 (the “Act”) [205 ILCS 635], and of the Rules promulgated under the Act (hereinafter referred to as the “Rules”) [38 Ill. Adm. Code 1050], hereby issues this ORDER pursuant to Section 1050.2170(a)(1)&(2) of the Rules and pursuant to the authority provided in Section 7-1 of the Act. The Department makes the following:

**FINDINGS**

1. That Registrant is an Illinois Loan Originator Registrant holding certificate of registration number 031.0005392.
2. That Registrant acted as the President of Illinois residential mortgage First Chicago Mortgage Company First Chicago Mortgage Company (License No. MB.0006097) for all purposes of this Order.
3. That the Department conducted an investigation of First Chicago Mortgage Company. The results of the investigation disclosed the following: In and around 2006, First Chicago Mortgage Company, through its employees, originated and processed 22 mortgage loans for the purchase of properties located in the Chicago metropolitan area. The applications for all of these loans contained misrepresentations regarding the borrowers’ employer and income. Specifically, 14 of the applications misrepresented that the borrower worked for *Advanced Auto Repair*, 6 of the applications misrepresented that the borrower worked for *Prestige International Corporation*, and 2 of the applications misrepresented that the borrower worked for *All Pro Car Wash*. Each application accordingly misrepresented at inflated levels the borrowers’ income, and the loans were issued on terms that the borrowers could not otherwise qualify or afford. A total of 8 different licensed loan originators were involved in the 22 loans. In further aggravation, during its investigation, the Division learned that employees of First Chicago Mortgage Company contacted several of the borrowers on the subject loan files with warnings and instructions to avoid speaking to the Division’s investigators. The Secretary of State records show that the President of First Chicago Mortgage Company (“Registrant”) is also the registered agent and

President of one of the falsely identified employers, *Prestige International Corporation*. In addition, the President of First Chicago Mortgage Company (Registrant) operates a real estate brokerage company, First Chicago Real Estate, which was involved in ten of the transactions. The total of the loan proceeds was approximately \$7,000,000.00. The Division's investigation established that at least six of the loans were in foreclosure and one other loan was near foreclosure. In sum, the evidence shows that Registrant and the other loan originators participated in a knowing and intentional scheme. The misconduct was egregious and it resulted in substantial harm to lenders, the borrowers on the loans, neighboring property owners, and to the public in general.

4. The Division conducted an Examination of First Chicago Mortgage Company on February 7, 2008. The results of the Examination disclosed the following violations: First Chicago Mortgage Company failed to ensure that all of its loan originators completed the required continuing education; the employment agreements between the First Chicago Mortgage Company and its loan originators failed to state that the First Chicago Mortgage Company assumes full and direct legal responsibility for the activities of the loan originators; First Chicago Mortgage Company failed to provide the adjustable rate disclosures to all borrowers who applied for adjustable rate loans; in some files reviewed the prepaid finance charges were not subtracted from the amount financed resulting in an inaccurate APR equal to the interest rate; First Chicago Mortgage Company failed to disclose its affiliation with First Chicago Real Estate on the loan brokerage agreements provided to the borrowers; First Chicago Mortgage Company failed to provide borrowers with an affiliated business arrangement disclosure; the payment/schedules on the initial Truth In Lending disclosures were not properly calculated in all loan files; First Chicago Mortgage Company's loan log failed to contain some required data; in some files reviewed the yield spread premium was disclosed as a percentage, not a dollar amount, on the initial Good Faith Estimate; and First Chicago Mortgage Company failed to maintain the required twenty percent cash and cash equivalency portion of the net worth component. As the President of First Chicago Mortgage Company, Registrant failed to provide the adequate quality and controls necessary for First Chicago Mortgage Company to act in conformance with the Act and Rules.
5. Factual details to support the Findings in paragraphs 3 and 4 above, including property addresses and borrower identifications, are set forth in a related Supplemental and Confidential Order of Revocation and Assessment of a Fine against First Chicago Mortgage Company, bearing case number E2008-48-MBR-.

## **CONCLUSIONS**

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

Registrant is subject to discipline pursuant to the following Sections of the Act: 205 ILCS 635/7-1 (2004 as amended).

Registrant has violated the following Sections of the Rules: 1050.2165 (b), (c), (e) and (k).

**ORDER**

NOW THEREFORE IT IS HEREBY ORDERED:


1. The Illinois loan originator registration of Rony Khezeran, Registration No. 031.0005392, is hereby revoked.
2. Rony Khezeran is hereby assessed a fine in the amount of \$10,000.00. The fine shall be due in full thirty (30) days after the effective date of this Order. The fine shall be paid by means of a certified check or money order made payable to the:

**Department of Financial and Professional Regulation  
Division of Banking  
ATTN: FISCAL DIVISION, 2<sup>ND</sup> FLOOR  
320 W. Washington Street  
Springfield, IL 62786**

ORDERED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 2008

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
DEAN MARTINEZ, SECRETARY

DIVISION OF BANKING  
JORGE SOLIS, ACTING DIRECTOR

  
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**Dean Martinez**  
**Secretary**

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. You have the opportunity to request a hearing regarding this matter for a fee of \$250 plus the transcript fee pursuant to 38 Ill. Adm. Code 1050.2175: The request for a hearing shall be filed within 10 days after the receipt of an administrative decision. A hearing shall be held by the Department of Financial and Professional Regulation, Division of Banking on the administrative decision. Absent a

request for a hearing, this Order shall constitute a final administrative decision subject to the Administrative Review Law [735 ICLS 5/3-101 *et seq.*]

State of Illinois (   
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 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 ASSESSING FINE AND REVOKING LOAN ORIGINATOR REGISTRATION** regular and certified mail, return receipt requested at 122 S. Michigan Avenue, Suite 1900, Chicago, Illinois 60603, to the address of Respondent registered with IDFPD Division of Banking listed below:

RONY KHEZERAN  
4207 W. Touhy  
Lincolnwood, Illinois 60712

\_\_\_\_\_  
AFFIANT

Subscribed and sworn to before me,

this \_\_\_\_ day of \_\_\_\_\_, 2008

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