

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF

C.D.K. U.S.A. MORTGAGE

License No. MB.0004785

Attention: Adam M. Schwartz

1872 N. Damen Avenue

Chicago, IL 60647

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No. 2010-MBR-12

ORDER ASSESSING FINE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (the "Department"), having investigated the activities of C.D.K. U.S.A. Mortgage (the "Licensee") and 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 Section 4-5(h)(5) of the Act. The Department makes the following:

FINDINGS

1. That C.D.K. U.S.A. Mortgage is an Illinois residential mortgage licensee holding license number MB.0004785 (the "License"), subject to Order Revoking License, No. 2009-MBR-211 for violations separate from this Order, and located, according to Department records, at 1872 N. Damen, Chicago, Illinois 60647;
2. That in September 2009, the Department received a complaint of fraudulent title and mortgage activities connected to loans closed through Traditional Title and commenced an extensive six-month investigation for evidence of fraud in residential mortgage transactions and with a primary focus upon the financing of approximately 27 condominium units, now in foreclosure, located at 4725 S. Michigan Avenue, Chicago, Illinois ("4725 S. Michigan Avenue"), but with additional residential properties located in Chicago, Illinois at 4243 N. Keystone, 5416 S. Michigan Avenue, 6621 S. Ingleside, 7919 S. Phillips, and 7921 S. Phillips;
3. That the Department through its Banking Division, and in coordination with the Divisions of Financial Institutions and Professional Regulation, collected evidence of activities perpetrating or in support of a mortgage fraud scheme whereby mortgage brokers, loan originators, straw-buyers, and others were recruited or induced and compensated to participate in the origination of loans using false occupancy, employment, and bank account

information on loan applications to fraudulently obtain loan proceeds from lenders on the loans;

4. That on or around March 1, 2010, the Department filed the Post Investigative Report (the "Investigative Report") detailing the involvement of seven respondent mortgage companies and six loan originator individuals in connection with the mortgage fraud scheme and containing the supporting evidence and documentation from the investigation; and
5. That the Investigative Report identifies Licensee as originating a loan with information falsifying the purpose of loan for 4725 S. Michigan Avenue Unit 4D as primary occupancy when in fact the borrower did not intend to occupy the properties as a primary residence, and falsifying the employment information for the borrower submitted on the loan application to the lender for 4725 S. Michigan Avenue Unit 4D as the borrower being employed at E&H Distributors, 1880 W. Fullerton, Chicago, Illinois when in fact that company did not exist or operate at that location.

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 Sections 2-4(f),(j) and (k) of the Act, and is in further violation of Sections 4-5(i)(2) and (11) of the Act.

ORDER

NOW THEREFORE IT IS ORDERED:

1. That C.D.K. U.S.A. MORTGAGE, License No. MB.0004785, shall be and hereby is assessed a fine in the amount of \$100,000 for the violations cited herein;
2. The fine in the amount of \$100,000 shall be due thirty (30) days after the effective date of this Order upon C.D.K. U.S.A. MORTGAGE; and
3. The fine in the amount of \$100,000 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: MORTGAGE BANKING
320 West Washington, 6th Floor
Springfield, IL 62786**

ORDERED THIS 8th DAY OF March, 2010

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
BRENT E. ADAMS, SECRETARY

DIVISION OF BANKING



JORGÉ 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 and hearing fee 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.*].