

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF

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No. 2010-MBR-10

EXCLUSIVE BANCORP, INC.

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License No. MB.0006181

)

Attention: Arfeen Ahmed

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7225 N. Kostner Avenue

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Lincolnwood, IL 60712

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ORDER REVOKING LICENSE AND ASSESSING FINE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (the “Department”), having investigated the activities of Exclusive Bancorp, Inc. (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 Sections 4-5(h)(1) & (5) of the Act. The Department makes the following:

FINDINGS

1. That Exclusive Bancorp, Inc. is an Illinois residential mortgage licensee holding inactive, lapsed license number MB.0006181 (the “License”) and located at 7225 N. Kostner Avenue, Lincolnwood, Illinois 60712;
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;
5. That the Investigative Report cites Licensee for three (3) counts of violations of each averment under Sections 2-4(f),(j) & (k) of the Act, and for unregistered loan originator activity;
6. That the violations include Licensee originating a loan with information falsifying the purpose of loans for 4725 S. Michigan Avenue Unit 1A as primary occupancy when in fact the borrower did not intend to occupy the properties as a primary residence, falsifying the employment information for the borrower submitted on loan applications to lenders for 4725 S. Michigan Avenue Unit 1A 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, and allowing owner Arfeen Ahmed ("Ahmed") to originate a loan for 4725 S. Michigan Avenue, Unit GC without Ahmed being sponsored by the Licensee; and
7. That the Department has also conducted a review of the licensing status of the Licensee and found that the Licensee has failed to properly renew or surrender the License as required by the Act.

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)(k), and (z), 2-6, and 7-1 of the Act and Section 1050.2125 of the Rules, 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 Exclusive Bancorp, Inc., License No. MB.0006181 is revoked by Order of the Department pursuant to Section 4-5(h)(1) of the Act and fined \$100,000 pursuant to Section 4-5(h)(5) of the Act for failure to comply with the provisions cited herein of the Act and Rules. The fine in the amount of \$100,000 shall be paid within thirty (30) days after the effective date of this Order by means of 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



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 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.*].