

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

|                               |   |                           |
|-------------------------------|---|---------------------------|
| IN THE MATTER OF:             | ) |                           |
|                               | ) | <b>No. 2013-MLO-CD-01</b> |
| <b>GLADYS HERNANDEZ</b>       | ) |                           |
| Washington National Trust     | ) |                           |
| 31 W. Downer Place, Suite 408 | ) |                           |
| Aurora, IL 60502              | ) |                           |

**ORDER TO CEASE AND DESIST FROM UNLAWFUL  
RESIDENTIAL MORTGAGE ACTIVITIES AND ASSESSING FINE**

**NOW COMES** the DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (the “Department”), conducting an investigation of **GLADYS HERNANDEZ** in connection with her residential mortgage activities with the WASHINGTON NATIONAL TRUST, 31 W. Downer Place, Suite 408, Aurora, Illinois 60502 and having found violations of the Residential Mortgage License Act of 1987 (the “Act”) [205 ILCS 635] and the Mortgage Rescue Fraud Act (“MRFA”) [765 ILCS 940] hereby issues this **ORDER TO CEASE AND DESIST FROM UNLAWFUL RESIDENTIAL MORTGAGE ACTIVITY AND ASSESSING FINE** pursuant to Sections 1-3 and 4-5 of the Act, and states:

**STATUTORY PROVISIONS**

1. Section 1-3(a) of the Act provides that no person, partnership, association, corporation, or other entity shall engage in the business of brokering, funding, originating, servicing or purchasing of residential mortgage loans without first obtaining a license from the Secretary of the Department (“Secretary”).
2. Section 1-3(b) of the Act provides that no person, partnership, association, corporation, or other entity except a licensee under the Act or an entity exempt from licensure shall do any business under any name title, or circulate or use any advertising or make any representation nor give any information to any person, which indicates or reasonably implies activity within the scope of the Act.
3. Section 1-3(d-1) of the Act provides the Secretary the authority to issue orders against any person if the Secretary has reasonable cause to believe that an unsafe, unsound, or unlawful practice has occurred, is occurring, or is about to occur, if any person has violated, is violating, or is about to violate any law, rule, or written agreement with the Secretary, or for the purposes of administering the provisions of this Act and any rule adopted in accordance with this Act.

4. Section 1-3(e) of the Act provides that any person, partnership, association, corporation or other entity who violates any provision of this Section commits a business offense and shall be fined an amount not to exceed \$25,000.
5. Section 1-4 (jj) of the Act defines the “mortgage loan originator” as an individual who for compensation or gain or in the expectation of compensation or gain (i) takes a residential mortgage loan application, or (ii) offers or negotiates terms of a residential mortgage loan. Included in the definition are individuals who participate in residential mortgage loan modification activities.
6. Section 1-4(yy) of the Act defines “loan modification” to mean for compensation or gain, either directly or indirectly offering or negotiating on behalf of a borrower or homeowner to adjust the terms of a residential mortgage loan in a manner not provided for in the original or previously modified loan.
7. Section 4-5 of the Act states, in part, the following acts shall constitute grounds for disciplinary action which include in subsection (a) violating any provision of this Act, any rule or regulation promulgated by the Secretary or any other law, rule or regulation of the State of Illinois or the United States. Subsection (h) provides the Secretary the authority to enter an order imposing certain penalties, including imposition of a fine not to exceed \$25,000 for each count of separate offense.
8. Section 7-1A of the Act states, in part, it is unlawful for any individual to act or assume to act as a mortgage loan originator, as defined in subsection (jj) of Section 1-4 of the Act, without obtaining a license from the Department.
9. Section 7-13 of the Act prohibits certain acts and practices by mortgage loan originators including in subsection (2) engage in any unfair or deceptive practice toward any person; in subsection (3) obtain property by fraud or misrepresentation; in subsection (6), in part, aid and abet any person in the conduct of business under this Act without a valid license as required under this Act; in subsection (7) fail to make disclosures as required by this Act and any other applicable State and federal law, including regulations thereunder; in subsection (8) fail to comply with this Act and any other State or federal law, including regulations thereunder, applicable to any business authorized or conducted under this Act; in subsection (9) make, in any manner, any false or deceptive statement or representation of a material fact, required on any document or application subject to this Act; in subsection (12) collect, charge, attempt to collect or charge, or use or propose any agreement purporting to collect or charge any fee prohibited by this Act, including advance fees for loan modification; and in subsection (15) engage in conduct that constitutes dishonest dealings.

10. The MRFA requires any person who, directly or indirectly, for compensation from the owner, makes any solicitation, representation, or offer to perform, or who performs any service that the person represents will stop or postpone a foreclosure sale or save the owner's home from foreclosure, to provide owners statutorily defined contract terms and notice rights and refrain from taking an interest in the owner's home or securing advance payments prior to performing the contracted for service.

### **FACTUAL FINDINGS**

11. GLADYS HERNANDEZ is not licensed by the Department to act as a residential mortgage licensee or mortgage loan originator.
12. GLADYS HERNANDEZ is a Notary Public in the State of Illinois with commission expiring July 27, 2016.
13. On information and belief, GLADYS HERNANDEZ, has aided and abetted and/or served as an agent of the WASHINGTON NATIONAL TRUST in its offering of unlicensed loan modification services to borrowers and distressed borrowers as defined in the MRFA through the notarization of documents such as Quitclaim Deeds, Specific Powers of Attorney and/or other documents and such other acts known or unknown, in association with activities conducted by the WASHINGTON NATIONAL TRUST, an unlicensed entity and its unlicensed agents, and the subject of a separate CEASE & DESIST ORDER by the Department in the case titled:

MELVIN TORRELLE BELL  
a/k/a ALEX CROWN,  
a/k/a MINISTER BEY,  
a/k/a SOVEREIGN KING BEY,  
a/k/a S-K BEY,  
a/k/a SEV, collectively d/b/a  
WASHINGTON NATIONAL TRUST

### **LEGAL CONCLUSIONS**

BASED UPON THE ABOVE ALLEGATIONS, THE DEPARTMENT FINDS:

14. By notarizing documents and otherwise aiding and abetting and/or acting as an agent of the WASHINGTON NATIONAL TRUST, unlicensed entities or persons, in the offering of residential mortgage loan modifications to borrowers and distressed borrowers, GLADYS HERNANDEZ is in violation of Sections 1-3(b), 4-5(a), 7-1A, and 7-13 (2), (3), (6), (7), (8), (9), (12), and (15) of the Act, and the Mortgage Rescue Fraud Act [765 ILCS 940, et seq.], respectively.

**NOW IT IS HEREBY ORDERED THAT, GLADYS HERNANDEZ:**

- (1) Immediately cease and desist from notarizing documents and any other activities to aid and abet the WASHINGTON NATIONAL TRUST, its agents, or act as an agent in the offering of loan modification services requiring a license for entities and persons under the Act or any other services subject to the Act or MRFA;
- (2) Immediately cease and desist from selling, marketing, or conducting any loan modification or mortgage rescue services through the WASHINGTON NATIONAL TRUST or any other entity;
- (3) Immediately cease and desist from accepting Power of Attorney authorization for any mortgage borrower with whom the WASHINGTON NATIONAL TRUST contracted with to perform mortgage rescue or loan modification services;
- (4) Immediately cease and desist from exercising any Power of Attorney on behalf of any mortgage borrower with whom MELVIN TORRELLE BELL contracted with to perform mortgage rescue or loan modification services through the WASHINGTON NATIONAL TRUST or any other entity; and
- (5) Immediately cease and desist requesting, accepting, and/or executing any quitclaim deeds that transfers ownership of property to MELVIN TORRELLE BELL, the WASHINGTON NATIONAL TRUST, or any other entity.
- (6) The Department assesses a **FINE** against GLADYS HERNANDEZ in the amount of \$25,000 pursuant to Sections 1-3(e) and 4-5(h) of the Act for violations cited herein. The fine of \$25,000 is payable by certified check or money order within thirty (30) days of the effective date of this Order to the:

**Department of Financial and Professional Regulation  
Division of Banking  
ATTN: Loan Originator Section  
320 W. Washington, 5<sup>th</sup> Floor  
Springfield, Illinois, 62786.**

ORDERED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2013

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
MANUEL FLORES, ACTING SECRETARY

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**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 \$250 hearing fee by certified check or money order shall be filed with the Department at 320 West Washington Street, Springfield, IL 62786, ATTN: Loan Originator Section within 10 days after the receipt of an administrative decision. The request for hearing must include an explicit admission, denial, or appropriate response to each allegation or issue contained in the administrative decision pursuant to 38 Ill. Adm. Code 1050.1570. 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.*].**

State of Illinois {  
                          { ss:  
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 TO CEASE AND DESIST FROM UNLAWFUL RESIDENTIAL MORTGAGE ACTIVITIES** by regular and certified mail, return receipt requested, at 122 S. Michigan Avenue, Suite 1900, Chicago, Illinois 60603, to the name and address listed below:

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AFFIANT

Subscribed and sworn to before me,  
this \_\_\_\_ day of \_\_\_\_\_, 2013

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NOTARY PUBLIC

Send to:  
**GLADYS HERNANDEZ**  
Washington National Trust  
31 W. Downer Place, Suite 408  
Aurora, IL 60502

**SERIAL**