

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

IN THE MATTER OF:)
)
) No. 2010-LO-15
KARMEL KIFARKIS)
6727 N. Artesian)
Chicago, Illinois 60645)

**ORDER ASSESSING FINE AND IMPOSING SUSPENSION ON
LOAN ORIGINATOR REGISTRATION**

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking, (the “Department”), having conducted an investigation of the facts related to registered Loan Originator Karmel Kifarkis, (the “Registrant”), 6727 N. Artesian, Chicago, Illinois 60645, 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 (the “Rules”) [38 Ill. Adm. Code 1050], hereby issues this Order pursuant to the authority provided under Section 7-1 of the Act and Sections 1050.2170(a)(1)&(2) of the Rules. The Department makes the following findings:

FINDINGS

1. That Registrant is an Illinois Loan Originator Registrant holding certificate of registration No. 031.0001884 and having the address of 6727 N. Artesian, Chicago, Illinois 60645;
2. That Registrant was sponsored by Residential Plus Mortgage Corp. (License No. MB. 0006264; hereinafter “Licensee”) for all purposes of this Order;
3. That on January 13, 2010, the Department opened an investigation into Licensee in order to establish whether a specific loan originator was working for the company without being properly sponsored;
4. That upon arrival, the Department’s investigator, “Investigator”, spoke to Gregory Pusch (“Pusch”), the sales manager for Licensee, and requested from Registrant a copy of Licensee’s loan log from March 2009 to present. While Registrant went to locate the requested documentation, Investigator noticed a list of employees on the receptionist desk. Investigator compared said list to the Department’s records of which loan originators are currently sponsored by Licensee which he had printed from internal Department screens. There were several names listed on the receptionist desk that did not match the Department’s list;

5. That Pusch returned from searching for the loan log and informed Investigator that the document was so voluminous that it would take an exorbitant amount of time to print each page. The Investigator requested he review the loan log from an available computer. When Pusch obliged, Investigator while scrolling through the loan log on the computer found the name Jeremy Clement (“Clement”) listed several times as a loan originator although Clement was not properly registered as a loan originator;
6. That Investigator then asked Pusch to email him a copy of the loan log that he viewed on the computer. Registrant agreed to email it to him on January 14, 2010;
7. That on January 14, 2010 Investigator received the email with the loan log attached from Pusch, however, the Investigator noticed that Clement was no longer listed on the loan log;
8. That on January 20, 2010 Investigator returned to Licensee to analyze the discrepancy with the loan log emailed to him and the one he viewed on the computer. When Investigator reviewed the computer version of the loan log again he found that Clement’s was still the computer version and was referred to as a loan “rep” for seven borrowers. When Pusch was questioned about this he stated that Clement was only mentioned on the loan log so he could have access to Licensee’s computer system;
9. That Investigator then requested the original files for the seven borrowers. That Investigator found through the review of these files that for borrowers Bunge, Vuong and Nwokedi, Clement was listed as the loan originator on the application. Investigator also found for borrowers Aragon and Meiborg there were multiple applications one signed by Clement and the other signed by Registrant. Lastly, five borrowers had Registrant’s name as the loan originator, however, it was written over whiteout. The Investigator was able to identify Clement’s name typed under the whiteout for the following borrowers, Karounos, Ramel, Stotts and Porter (two files);
10. That Registrant knowingly permitted the use of her name and registration number on numerous loan applications knowing that said application were in fact taken and completed by an unregistered loan originator, Clement, who was unqualified to originate loans;
11. That Investigator contacted all of the aforementioned borrowers. Seven of the borrowers indicated that Clement was in fact the loan originator who originated their loans and that they never heard of or met Registrant. The remaining two borrowers could not be reached. Additionally, he contacted Fowler another borrower from the loan log who also stated Clement had originated her loan; and
12. That Registrant knew or should have known by allowing a loan to be originated with Registrant’s number without Registrant actually working on the loan file was a misrepresentation to the consumer and the lender. These misrepresentations and dishonest dealings are violations of the Act and the Rules.

CONCLUSIONS

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

Registrant's activities under Certificate of Registration No. 031.0001884 cited herein warrant a fine and suspension pursuant to Rules Sections 1050.2165(b) and (c).

ORDER

NOW THEREFORE IT IS HEREBY ORDERED:

1. That Karmel Kifarkis certificate of Registration No. 031.0001884 shall be suspended for a period of one hundred eighty (180) days following the execution of this order pursuant to Rule section 1050.2170 (a)(1).
2. That Karmel Kifarkis shall be and hereby is assessed a fine of \$15,000 for violating the Act and Rules cited herein pursuant to Rules section 1050.2170(a)(2);
3. The total fine in the amount of \$15,000 shall be due thirty (30) days after the effective date of this Order; and
4. The fine in the amount of \$15,000 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: Loan Originator Section
320 W. Washington
Springfield, Illinois, 62786**

ORDERED THIS ____ DAY OF _____, 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. 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 (
 (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 ASSESSING FINE AND IMPOSING SUSPENSION ON LOAN ORIGINATOR REGISTRATION** by regular and certified mail, return receipt requested at 122 S. Michigan Avenue, Suite 1900, Chicago, Illinois 60603, to the address of Registrant's Licensee registered with IDFPD Division of Banking listed below:

KARMEL KIFARKIS
6727 N. Artesian
Chicago, Illinois 60645

AFFIANT

Subscribed and sworn to before me,
this ____ day of _____, 2010

NOTARY PUBLIC
