

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF:

PAUL L. SHELTON  
10 N. Adams St.  
Hinsdale, IL 60521

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No. 2009-LO-26

**ORDER REVOKING**  
**LOAN ORIGINATOR REGISTRATION**

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking, (the "Department"), having conducted an investigation into the facts related to registered Loan Originator Paul L. Shelton (the "Registrant"), 10 N. Adams St., Hinsdale, IL 60521, 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 Revoking Loan Originator Registration under Section 1050.2170(a) (1) of the Rules pursuant to authority provided in Section 7-1 of the Act. The Department makes the following findings:

**FINDINGS**

1. That Registrant is an Illinois Loan Originator Registrant holding certificate of registration No. 031.0025067 and having the address of 10 N. Adams St., Hinsdale, IL 60521;
2. That Registrant was the principal of Trust One Mortgage Corporation (License No. MB. 6759722, "Trust One") for all purposes of this Order;
3. That on February 3, 2009, the Department opened an investigation into a complaint of mortgage fraud for a loan brokered by Trust One in connection with Lessie Towns ("Towns"), an elderly homeowner, facing eviction from her home at 9430 S. Ada, Chicago, Illinois (the "Towns' Property");
4. That the Department conducted interviews and collected documentation showing that Trust One, commencing in or around calendar year 2006 and through its owners, officers, principals, employees, agents, and/or loan originators, including Registrant, Peter Blythe, James Taylor, Percilla Moreno, David Offett, and Jeffery Watkins, engaged in a mortgage financing scheme involving the Towns' Property as well as other properties including 304 W. 51<sup>st</sup> Street, Chicago, Illinois and 5926 S. Parnell, Chicago, Illinois;
5. That the mortgage financing scheme for the Towns' Property included a false representation to Towns of her continued ownership through a trust account or arrangement with Trust One that in fact did not exist; that the Towns' Property was conveyed without Towns' knowledge to Peter Blythe at Trust One; and that the Town's Property was then flipped to a straw buyer

Willie Smith (“Smith”) recruited by Jeffery Watkins at Trust One and brokered by Trust One using falsified employment income and documentation for Smith; and

6. That, as evidenced by the interviews conducted and documents collected by the Department, Registrant oversaw and directed the mortgage scheme and his actions have contributed to the detriment, harm, or injury of homeowners, and others.

### **CONCLUSIONS**

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

Registrant’s activities under Certificate of Registration No. 031.00025067 cited herein warrant revocation of said registration pursuant to Rule Sections 1050.2165 (b), (c) and (e).

### **ORDER**

IT IS HEREBY ORDERED that the Loan Originator Certificate of Registration No. 031.0025067 is revoked by Order of the Department pursuant to Section 1050.2170(a)(1) of the Rules and Section 7-1 of the Act.

ORDERED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2009

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
MICHAEL T. MCRAITH, ACTING SECRETARY

DIVISION OF BANKING

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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 REVOKING 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 Respondent registered with IDFPR Division of Banking listed below:

PAUL L. SHELTON  
10 N. Adams St.  
Hinsdale, IL 60521

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AFFIANT

Subscribed and sworn to before me,  
this \_\_\_\_ day of \_\_\_\_\_, 2009

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NOTARY PUBLIC

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