

BEFORE THE STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF BANKING

IN THE MATTER OF REVOCATION OF
A MORTGAGE BANKER LICENSE FOR

ORDER OF REVOCATION

ISLAND MORTGAGE NETWORK, INC., RESPONDENT

TO: EDWARD R. CAPUANO, PRESIDENT
ISLAND MORTGAGE NETWORK, INC.
201 OLD COUNTRY ROAD
MELVILLE, NY 11747

The State of Wisconsin, Department of Financial Institutions, Division of Banking ("Division") licenses and regulates mortgage bankers in the State of Wisconsin pursuant to ch. 224, subch. III, Stats.

ISLAND MORTGAGE NETWORK, INC. D/B/A APPONLINE.COM D/B/A RELIANCE MORTGAGE NETWORK ("ISLAND MORTGAGE") was issued a license as a mortgage banker, license number 1080, by the Division on April 30, 1998 ("Exhibit A"). ISLAND MORTGAGE'S address of record is 201 Old Country Road, Melville, NY 11747.

FINDINGS OF FACT

1. On or about August 31, 2000, ISLAND MORTGAGE surrendered its State of New York mortgage banking license in lieu of a hearing for revocation based on the New York Banking Department's statement of charges ("Exhibit B").
2. The Division has received a complaint from [REDACTED] on behalf of [REDACTED] wherein [REDACTED] received a settlement statement from a loan closing on June 21, 2000, that never funded ("Exhibit C"). The division made repeated requests of Respondent for a written explanation of the relevant facts to assist in resolving this matter. Despite such requests, Respondent failed to acknowledge or provide any information concerning this matter.

Section 708.10(2)(a), Wisconsin Statutes provides "Except as provided in par. (b), if a settlement agent is to deliver qualified loan funds to the borrower in a transaction, or to a 3rd party on behalf of the borrower, a lender may not permit or require a borrower to complete a loan settlement unless the lender unconditionally delivers qualified loan funds to the settlement agent before or immediately on completion of the loan settlement."

Island Mortgage permitted [REDACTED] to complete a loan settlement without providing qualified loan funds to the settlement agent, Evans Title Companies, Inc., in violation of the above mentioned section.

3. The Division has received information indicating that lines of credit on which Respondent relies on to fund loans have been suspended or terminated.
4. The Division has request information necessary to ascertain the financial condition of Respondent, its ability to continue to meet its financial obligations, and whether there exists a substantial risk of harm to the public. Despite such requests, Respondent failed to acknowledge or provide any information concerning this matter.
5. On July 18, 2000, the Division received a notice of surety bond cancellation for ISLAND MORTGAGE. The Division has request an explanation as to why this bond is being cancelled. Respondent failed to acknowledge or provide any information concerning this matter.
6. Based on the foregoing, and for other reasons, the Division believes that you do not have sufficient financial resources to meet your financial obligations to Wisconsin clients or investors and that you have violated Section 224.77(1)(r), Wis. Stats., which list the following as prohibited conduct:

“Failed to notify the division that the mortgage banker’s or mortgage broker’s net worth fell below the minimum amount required under s. 224.72(4)(a)4 or (d)2 or (4m)(a)3 or (b)2., if the mortgage banker or mortgage broker had qualified for registration under s. 224.72(4)(a)4 or (d) or (4m)(a)3 or (b).”

REASONS FOR REVOCATION

Pursuant to s. 224.77(1), the division may and does hereby revoke the certificate of registration of ISLAND MORTGAGE for the following prohibited conduct:

1. ISLAND MORTGAGE made a false promise that influences, persuades or induces a client to act to his or her injury or damage. This is prohibited conduct pursuant to s. 224.77(1)(c), Stats.
2. ISLAND MORTGAGE demonstrated a lack of competency to act as a mortgage banker, loan originator or mortgage broker in a way which safeguards the interests of the public. This is prohibited conduct pursuant to s. 224.77(1)(i), Stats.
3. ISLAND MORTGAGE violated provisions of ch. 224, subch. III; federal statutes and regulations; and state statutes and regulations which relates to practice as a mortgage banker, loan originator or mortgage broker. This is prohibited conduct pursuant to s. 224.77(1)(k), Stats.
4. ISLAND MORTGAGE engaged in conduct which violates a standard of professional behavior which, through professional experience, has become established for mortgage bankers, loan originators or mortgage brokers. This is prohibited conduct pursuant to s. 224.77(1)(L), Stats.

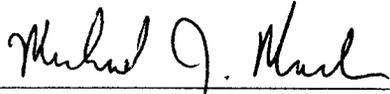
5. ISLAND MORTGAGE failed to notify the division that the mortgage banker's or mortgage broker's net worth fell below the minimum amount required under s. 224.72(4)(a)4 or (d)2 or (4m)(a)3 or (b)2. This is prohibited conduct pursuant to s. 224.77(1)(r), Stats.

APPEAL RIGHTS

A person whose certificate of registration has been revoked pursuant to s. 224.77, Stats., may request a hearing pursuant to s. 227.44, Stats., within 30 days after the date of revocation of the certificate of registration. The Division may appoint a hearing examiner pursuant to s. 227.46, Stats., to conduct the hearing.

This order is effective on the date it is signed by the Administrator, State of Wisconsin, Department of Financial Institutions, Division of Banking. Service is complete upon placement in the U.S. Mail addressed to licensee at address of record of licensee.

Dated and signed at Madison, Wisconsin this 19th day of October, 2000.



Michael J. Mach, Administrator
State of Wisconsin
Department of Financial Institutions
Division of Banking
P.O. Box 7876
Madison, WI 53707-7876