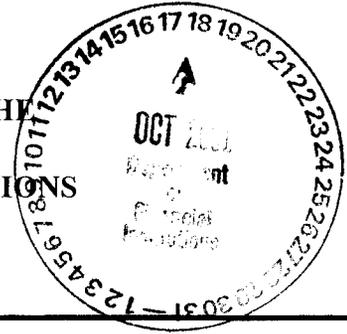


BEFORE THE ADMINISTRATOR OF THE  
STATE OF WISCONSIN  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF BANKING



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IN THE MATTER OF  
FIRST WISCONSIN MORTGAGE, INC.

NOTICE OF ASSESSMENT OF  
FORFEITURE, LIMITATION OF  
REGISTRATION AND  
CEASE AND DESIST

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TO: FIRST WISCONSIN MORTGAGE, INC.  
7979 GREENWAY BOULEVARD  
MIDDLETON, WI 53562

**FINDINGS OF FACT**

The State of Wisconsin, Department of Financial Institutions – Division of Banking (“Division”) has the power, jurisdiction and authority to regulate all mortgage bankers, mortgage brokers and loan originators conducting or attempting to conduct business as a mortgage banker, mortgage broker and/or loan originator in the State of Wisconsin.

First Wisconsin Mortgage, Inc., (“First Wisconsin Mortgage”), 7979 Greenway Boulevard, Middleton, Wisconsin 53562 is licensed with the Division as a mortgage banker, license #1182.

On May 7, 2001, the Division received a loan originator employment transfer form from Craig Uecker (“Uecker”) to transfer his employment from First Wisconsin Mortgage to another mortgage banker. Uecker was not registered as a loan originator and therefore conducting unlicensed activities on behalf of First Wisconsin Mortgage.

On May 23, 2001, the division received from Uecker a written explanation for his unlicensed activities (“Exhibit A”), which included the following:

“I began my employment with First Wisconsin Mortgage Inc. February 1999. I was asked to fill out all of the necessary paperwork to begin my employment. This paperwork included a Loan Originator Application, which I filled in full at First Wisconsin Mortgage along with all other required documents. I followed the same procedures that loan officers hired before and after me followed to get started with FWMI. I asked Todd Sulser for my license to display on my office wall. I was told that my license was paid for through FWMI and it would be kept in a file at the office. This mistake with me not being properly licensed is the responsibility of FWMI. I was led to believe from my start date that I was legally originating loans.”

The division contacted Philip I. Rolfe (“Rolfe”), President of First Wisconsin Mortgage, and requested copies of the HUD-1 Settlement Statement for every loan originated by Uecker since his employment began with First Wisconsin Mortgage. On April 12, 2001, Rolfe provided copies of the HUD-1 Settlement Statements for approximately 56 loans transacted by Uecker, along with written assurance that safeguards have been put in place to ensure this does not occur in the future (“Exhibit B”).

On May 25, 2001, the division sent a request to First Wisconsin Mortgage for a list of all loan originators who worked for First Wisconsin Mortgage since the company was licensed in October, 1998. A list of all individuals who originated loans for the company was provided on June 5, 2001. Upon comparison of the list with Department of Financial Institution licensing records, the division found five individuals who originated loans for First Wisconsin Mortgage without being licensed as loan originators. Further, the division found two individuals who originated loans for First Wisconsin Mortgage prior to transferring their employment from their previous employers to First Wisconsin Mortgage (“Exhibit C”).

In addition, to the aforementioned individuals, the division found nine past employees who had worked for First Wisconsin Mortgage for a period of time that had conducted loan originator activities and never acquired a loan originator license, and nineteen instances of employees that originated loans before they had obtained their loan originator license (“Exhibit D”).

FIRST WISCONSIN MORTGAGE, INC. has violated various provisions within s. 224.77, Stats., which describes prohibited conduct for mortgage bankers, mortgage brokers and loan originators including ss. 224.77 (1)(i), (j), (k), and (L).

## **CONCLUSIONS OF LAW**

Section 224.72(1m) states that “[a] person may not act as a mortgage banker, loan originator or mortgage broker, use the title “mortgage banker”, “loan originator” or “mortgage broker”, or advertise or otherwise portray himself or herself as a mortgage banker, loan originator or mortgage broker, unless the person has been issued a certificate of registration from the division.”

FIRST WISCONSIN MORTGAGE has allowed certain employees to act as loan originators, use the title “loan originator,” and/or advertise or otherwise portray themselves as loan originators. These employees of FIRST WISCONSIN MORTGAGE have not been issued certificates of registration from the division. This is a violation of s. 224.72(1m), Stats.

Section 224.77(1), Stats., provides “PROHIBITED CONDUCT. The division may deny an application submitted to it under s. 224.72, or may revoke, suspend or limit the certificate of registration of a mortgage banker, loan originator or mortgage broker, or may reprimand a mortgage banker, loan originator or mortgage broker, if it finds that the mortgage banker, loan originator or mortgage broker did any of the following:

- (i) 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.
- (j) Paid or offered to pay a commission, money or other thing of value to any person for acts or services in violation of this subchapter.

- (k) Violated any provision of this subchapter, ch. 138 or any federal or state statute, rule or regulation which relates to practice as a mortgage banker, loan originator or mortgage broker.
- (L) 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.

### **ASSESSMENT OF FORFEITURE**

Pursuant to s. 224.77(1m), Stats., the division may assess against a person who is registered under this chapter a forfeiture of not more than \$1,000 for each violation enumerated under s. 224.77(1)(a) to (o) or (r), Stats., including but not limited to a violation of s. 224.72(1m).

It is hereby ordered that First Wisconsin Mortgage shall be assessed a forfeiture of \$5,000.00 (Five Thousand Dollars) for the above-referenced violations. This forfeiture shall be paid by certified funds to the division within 10 days after receipt of the notice of assessment.

### **LIMITATION OF REGISTRATION**

Pursuant to s. 224.77(1), Stats., the division may revoke, suspend or limit the certificate of registration of a mortgage banker, loan originator or mortgage broker if the division finds that the mortgage banker, loan originator or mortgage broker engaged in prohibited conduct as provided under s. 224.77(1)(a) to (o) or (r), Stats. Pursuant to s. 224.77(4), Stats., the division shall determine in each case the period that a revocation, suspension or limitation of a certificate of registration is effective.

It is hereby ordered that First Wisconsin Mortgage's mortgage banking registration shall be limited. The registration shall be limited as follows:

1. First Wisconsin Mortgage shall file with the department reports within 5 days before or after the following dates:  
  
January 1, 2002  
July 1, 2002  
and every January 1, and July 1 thereafter until further order of the department.
2. The report shall include:
  - a. The name, address and telephone number of licensee and person submitting required report.
  - b. A statement from an executive officer of First Wisconsin Mortgage indicating whether or not First Wisconsin Mortgage has complied with all laws relating to the mortgage banking business.

- c. The name, address, residence telephone number and job description of each officer, employee, agent, and other persons participating in the conduct of First Wisconsin Mortgage.
- 3. This limitation may be removed no earlier than one year from the date of Order and only subsequent to a written request to the department from the applicant on or after that date which also includes the report as required in this Order.
- 4. Failure by First Wisconsin Mortgage to timely comply with the terms of this limitation shall be cause for the revocation of its limited loan originator license and First Wisconsin Mortgage shall voluntarily enter into a stipulated agreement that her registration be revoked.

**CEASE AND DESIST**

Pursuant to s. 224.77(3), Stats., the division may issue general and special orders necessary to prevent or correct actions by a mortgage banker, loan originator or mortgage broker that constitute cause under this section for revoking, suspending or limiting a certificate of registration.

Pursuant to Wis. Stat. s. 224.77 (3), it is hereby ordered that First Wisconsin Mortgage take the following action:

Immediately discontinue violating ss. 224.77 (1)(i), (j), (k), and (L).

Failure by First Wisconsin Mortgage to timely comply with the terms of this cease and desist shall be cause for the revocation of its limited mortgage banker registration and First Wisconsin Mortgage shall voluntarily enter into a stipulated agreement that its registration be revoked.

The provisions of this Notice of Assessment, Limitation of Registration and Cease and Desist, and the terms and conditions thereof, shall be binding upon First Wisconsin Mortgage. Its provisions shall remain effective and enforceable except to the extent that, and until such time as, any provisions therein shall have been modified, terminated, suspended or set aside by the Administrator.

The procedures to contest an assessment are set forth in s. 224.77(1m). The procedures to contest a limitation are set forth in ch. 227. The procedures to contest a cease and desist are set forth in s. 224.77(3c), Stats.

By: \_\_\_\_\_  
 Michael J. Maeh, Administrator  
 State of Wisconsin  
 Department of Financial Institutions  
 Division of Banking  
 P.O. Box 7876  
 Madison, WI 53707-7876

Date 10/22/2001