

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

**IN THE MATTER OF
MARIANN SANKEY AND
DFI COMPLAINT #100469**

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

TO: MARIANN SANKEY
25814 ARROWHEAD DR.
WIND LAKE, WI 53185

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.

Mariann Sankey (“Sankey”), 25814 Arrowhead Dr., Wind Lake, Wisconsin 53185 is not licensed with the division as a mortgage banker, mortgage broker or loan originator.

The division received a complaint, DFI #100469, from [REDACTED] on November 10, 1999, alleging Sankey accepted a check in the amount of \$3,576.25 outside the closing of a 2nd mortgage refinance transaction wherein Sankey performed an act as a loan originator.

On May 17, 2000, an application for a loan originator registration by Sankey was received by the State of Wisconsin, Department of Financial Institutions.

On June 16, 2000, the division received a copy of a supplementary report from Franklin Police Department wherein Sankey admitted that she knows [REDACTED] and had arranged for a refinance loan for [REDACTED] and that when she started the loan application that Sankey was employed at GSF Mortgage. Sankey told Sargent David C. Holberg that GSF Mortgage rejected the loan and that she then called Bankers Wholesale Mortgage and that Bankers Wholesale Mortgage completed the loan for [REDACTED]. Sankey admitted that she met [REDACTED] at his bank on or about October 15, 1999 and that she received from [REDACTED] a check made payable to her in the amount of \$3,576.25. Sargent Holberg asked Sankey if she had told [REDACTED] that these were fees that were owed to GSF Mortgage and that she wanted to hold the check as collateral so that she could receive her last paycheck from GSF Mortgage and she told Sargent Holberg she did. Sargent Holberg advised Sankey that he knew that on October 15, 1999 that she was not employed at GSF Mortgage and Sankey acknowledged that she had left GSF Mortgage prior to October 15, 1999. Sargent Holberg asked Sankey what she did with the check that [REDACTED] gave to

her and Sankey told him that she took and deposited that check into her personal checking account. Sargent Holberg asked Sankey what she did with the money that she received from [REDACTED] asking if she had turned that money over to GSF Mortgage and she stated that she did not.

Sankey was ordered to appear in the Milwaukee County District Attorneys Office on December 2, 1999. Sankey's case was reviewed by Milwaukee County Assistant District Attorney, Douglas Simpson ("Simpson"). Simpson held off charging Sankey until January 12, 2000. Between December 2, 1999, and January 12, 2000, Sankey and her attorney, Thomas J. Schneck, were to come to an agreement on restitution to [REDACTED] and get a release from [REDACTED]. If the restitution was made and a release obtained prior to January 12, 2000, no charges would be issued.

During the charging conference, January 12, 2000, Attorney Schneck indicated that it would be impossible for Sankey to come up with the full amount of \$3,576.25 and, therefore, will make arrangements that Sankey pay one half of this amount by January 31, 2000. At the end of February 2000, Sankey will pay the remainder of the amount due.

Simpson held the case open until April 3, 2000. Simpson advised Attorney Schneck and Sankey that if [REDACTED] has not been repaid the full amount by April 3, 2000, charges would be issued against Sankey.

According to the above mentioned supplemental report, [REDACTED] informed Sargent Holberg that Sankey made full restitution to him in the amount of \$3,576.25.

Sankey performed loan originator activities for the above mentioned [REDACTED] loan and has at various times, for UC Lending, GSF Mortgage Corporation, North American Mortgage and Centex Home Equity Corp., acted as a loan originator, used the title "loan originator," and/or advertise or otherwise portrayed herself as a loan originator. In each of the foregoing instances, Sankey has not been issued a certificate of registration from the division.

Sankey 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)(b), (c), (f), (g), (i), (k), (L), and (m).

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."

Sankey has acted as a loan originator, used the title "loan originator," and/or advertised or otherwise portrayed herself as a loan originator. Sankey has not been issued a certificate 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:

- (b) Made a substantial misrepresentation in the course of practice injurious to one or more of the parties to a transaction.
- (c) Made a false promise that influences, persuades or induces a client to act to his or her injury or damage.
- (f) Accepted a commission, money or other thing of value for performing an act as a loan originator unless the payment is from a mortgage banker or mortgage broker who is registered under s. 224.72(3) as employing the loan originator.
- (g) As a loan originator, represented or attempted to represent a mortgage banker other than the mortgage banker who is registered under s. 224.72(3) as employing the loan originator.
- (h) 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.
- (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.
- (m) Engaged in conduct, whether of the same or a different character than specified elsewhere in this section, which constitutes improper, fraudulent or dishonest dealing.

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)(k), Stats., including but not limited to a violation of s. 224.72(1m).

It is hereby ordered that Sankey shall be assessed a forfeiture of \$500.00 (Five Hundred Dollars) for the above-referenced violations. This forfeiture shall be paid to the division within 10 days after receipt of the notice of assessment.

LIMITATION OF REGISTRATION

Pursuant to s. 224.77(1)(k), 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 violated the provisions of s. 224.72(1m), Stats.

It is hereby ordered that a limited loan originator registration shall be granted to the applicant. The registration shall be limited as follows:

1. Sankey shall file with the department reports within 5 days before or after the following dates:

July 1, 2001
January 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 applicant and applicant's mortgage banker employer.
 - b. A statement from applicant Sankey's mortgage banker employer indicating whether or not applicant Sankey has complied with all laws relating to the mortgage banking business.
 - c. A statement from applicant Sankey indicating whether or not she has complied with all laws relating to the mortgage banking business.
3. Applicant Sankey may not transfer to another mortgage banker employer and perform activities under her loan originator registration without permission, in advance, from the Department of Financial Institutions, and unless the new mortgage banker agrees, in writing, that the terms of this Order will be complied with and that the new mortgage banker employer will cooperate with the applicant in the preparation and submittal to the Department of the required reports.
4. 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.
5. Failure by applicant Sankey to timely comply with the terms of this limitation shall be cause for the revocation of her limited loan originator license and Sankey 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 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.

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

Immediately discontinue accepting a commission, money or other thing of value for performing acts as a loan originator unless you are properly licensed under s. 224.72(1m), Stats., the payment is from a mortgage banker or mortgage broker who is registered under s. 224.72(3) as employing the loan originator, and the commission, money or other thing of value is disclosed to the borrower on the HUD-1 Settlement Statement.

Failure by Sankey to timely comply with the terms of this cease and desist shall be cause for the revocation of her limited loan originator license and Sankey shall voluntarily enter into a stipulated agreement that her registration be revoked.

IT IS FURTHER ORDERED, that file complaint #100469 be, and hereby is closed as to Respondent Sankey.

The provisions of this Notice of Assessment, Limitation of Registration and Cease and Desist, and the terms and conditions thereof, shall be binding upon Sankey. 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. Mach, Administrator
State of Wisconsin
Department of Financial Institutions
Division of Banking
P.O. Box 7876
Madison, WI 53707-7876

Date 12/29/2000