

ORDER

STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF BANKING

TO: ROBERT L. CALL, JR.
DONNA SCHIFFMAN-CALL
ACTION MORTGAGE OF WAUNAKEE, LLC
207 N. HOLIDAY DRIVE
WAUNAKEE, WI 53597

1. The State of Wisconsin, Department of Financial Institutions, Division of Banking (“division”) regulates mortgage bankers, mortgage brokers and loan originators that conduct business in the State of Wisconsin, pursuant to subch. III, ch. 224, Stats.
2. Action Mortgage of Waunakee, LLC, d/b/a Action Funding (“Action Mortgage”), is currently licensed with the Division as a mortgage banker, certificate of registration #97-939. Robert L. Call, Jr. (“Call”) holds a certificate of registration as a loan originator with the division, certificate of registration #98-5347. Upon information and belief, Call is the managing member and only member of Action Mortgage. Action Mortgage and Call are located at 207 N. Holiday Drive, Waunakee, WI 53597.
3. Pursuant to subch. III, ch. 224, Stats., the Department of Financial Institutions, Division of Banking (“division”) enforces all laws relating to mortgage bankers, mortgage brokers and loan originators, and shall enforce and cause to be enforced every law relating to the supervision and control thereof.
4. Pursuant to s. 224.77(1), Stats., the division may limit the certificate of registration of a mortgage banker, mortgage broker or loan originator if it finds that the mortgage banker, mortgage broker or loan originator did any of the actions set forth in s. 224.77(1).
5. Pursuant to s. 224.77(2), Stats., the division may limit a certificate of registration if a director, officer, trustee, partner or member of the mortgage banker or mortgage broker or a person who has a financial interest in or is in any way connected with the operation of the mortgage banker’s or mortgage broker’s business is guilty of an act or omission which would be cause for refusing to issue a certificate of registration to that individual.
6. Pursuant to s. 224.77(3), Stats., the division may issue general and special orders necessary to, *inter alia*, prevent or correct actions by a mortgage banker, mortgage broker or loan originator which constitute cause under s. 224.77 for revoking, suspending or limiting a certificate of registration, and that direct the mortgage banker, mortgage broker or loan originator to cease and desist from engaging in particular activity.
7. Pursuant to subch. III, ch. 224, Stats., Action Mortgage and Call are under the supervision and control of the division.

8. The division finds as follows:

a. An on-site review disclosed the use of the word “Bank” on promissory notes in violation of s. 221.0403, Stats.

b. On numerous occasions and subsequent to warnings by the Division, Action Mortgage used a name other than its legal entity name, Action Mortgage of Waunakee, LLC or its trade name, Action Funding, in violation of DFI-BKG 43.04(4), Wisc. Admin. Code, which demonstrates a lack of competency to act as a mortgage banker, loan originator or mortgage broker in a way which safeguards the interest of the public prohibited by s. 224.77(1)(i), Wisc. Stats.

c. An on-site review disclosed numerous mortgage brokerage services agreements all of which do not comply with DFI-BKG 43.04(5m)(a), Wisc. Admin. Code, which demonstrates a lack of competency to act as a mortgage banker, loan originator or mortgage broker in a way which safeguards the interest of the public prohibited by s. 224.77(1)(i), Wisc. Stats. The on-site review also disclosed cases where the mortgage brokerage services agreement was not signed or dated by Action Mortgage or left completely blank and signed by the borrower.

d. Action Mortgage’s lack of sound policies and procedures, and internal control system, permitted individuals to engage in loan originator activities without obtaining a certificate of registration or obtain licensing as a result of not disclosing past criminal convictions.

e. The on-site review disclosed the use of documents containing misleading information intended for individuals residing in California and prescribed by the State of California, Department of Real Estate, resulting in misleading information being provided to Wisconsin applicants in violation of s. 224.77(1)(i), Wisc. Stats.

f. The on-site review disclosed numerous consumer loans that failed to comply with various provisions of the Wisconsin Consumer Act and Truth-in-Lending. These consumer loans were originated by Action Mortgage through a division known as “Action Finance.”

g. Action Building, LLC, a company owned and managed by Call originated numerous loans, as payee on the note evidencing the loan, without obtaining the necessary license as provided in s. 224.72(1m), Wisc. Stats.

h. Upon information and belief, Robert L. Call, Jr., sole member of Action Mortgage of Waunakee, LLC and Donna Schiffman-Call are adult individuals related through marriage, and who, upon information and belief have filed for divorce, agree to transfer 100% of the ownership of Action Mortgage of Waunakee, LLC from Robert L. Call to Donna Schiffman-Call and amend the existing articles of organization, listing Donna Schiffman-Call as the sole member of Action Mortgage of Waunakee, LLC.

9. Based on the foregoing, it is hereby ordered that the certificate of registration of Action Mortgage of Waunakee, LLC and Robert L. Call Jr. are limited as follows:

- a. Robert L. Call, Jr., his agents, servants, employees, and any entity or person directly or indirectly controlled or organized by or on his behalf, are prohibited from engaging in any activity requiring licensure under Chapter 224, Wisconsin Statutes, except Robert L. Call, Jr., may perform loan originator activities under his limited loan originator license as provided herein.
- b. Robert L. Call, Jr., his agents, servants, employees, and any entity or person directly or indirectly controlled or organized by or on his behalf, are prohibited from engaging in any activity of, or involving, Action Mortgage of Waunakee, LLC.
- c. Robert L. Call, Jr., his agents, servants, employees, and any entity or person directly or indirectly controlled or organized by or on his behalf, are prohibited from becoming a shareholder or taking a financial interest of any kind in Action Mortgage of Waunakee, LLC.
- d. Effective the date of this Order, Action Mortgage of Waunakee, LLC's will surrender its mortgage banking license, registration number 97-939, and will submit a properly executed mortgage brokerage application to the division. Effective the date of this Order, the division shall grant a limited mortgage brokerage registration to Action Mortgage of Waunakee, LLC, and refund \$250.00 of the \$1000.00 submitted with Action Mortgage's mortgage banking renewal application on November 27, 2002. The company's loan originators will automatically transfer to the new limited mortgage broker license.
- e. Robert L. Call, Jr., and Donna Schiffman-Call, on behalf of Action Mortgage of Waunakee, LLC, shall file with the division reports within 5 days before or after the following dates:
July 1, 2003
January 1, 2004
and every July 1, and January 1 thereafter until further order of the division.
- f. The report for Robert L. Call, Jr., shall include:

Mr. Call's name, address and telephone number.

A statement from Mr. Call indicating whether or not he has complied with all laws relating to the mortgage banking business.

A statement from Mr. Call's mortgage banker or mortgage broker employer indicating whether or not he has complied with all laws relating to the mortgage banking business.
- g. The report for Donna Schiffman-Call, on behalf of Action Mortgage of Waunakee, LLC, shall include:

Ms. Schiffman-Call's name, address and telephone number.

A statement from Ms. Schiffman-Call indicating whether or not Action Mortgage of Waunakee, LLC, has complied with all laws relating to the mortgage banking business.

A statement from Ms. Schiffman-Call affirming that Robert L. Call, Jr., his agents, servants, employees, and any entity or person directly or indirectly controlled or organized by or on his behalf, have not engaged in any activity of, or involving, Action Mortgage of Waunakee, LLC, or related entity; and,

Robert L. Call, Jr., his agents, servants, employees, and any entity or person directly or indirectly controlled or organized by or on his behalf, have not become a shareholder or taken a financial interest of any kind in Action Mortgage of Waunakee, LLC or related entity.

h. Robert L. Call, Jr., may not work for, contract with or transfer to a new mortgage banker or mortgage broker without written permission, in advance, from the division.

i. Robert L. Call, Jr., Donna Schiffman-Call and Action Mortgage of Waunakee, LLC will fully cooperate with the department and make bona fide attempts to negotiate and/or resolve the following open complaints:

[REDACTED]

j. This limitation may be removed no earlier than January 1, 2005 and only subsequent to a written request by Robert L. Call, Jr., and Action Mortgage of Waunakee, LLC to the division.

Failure by Robert L. Call, Jr., to comply with the terms of this limitation shall be cause for the revocation of his limited loan originator license and Robert L. Call, Jr., shall voluntarily enter into a stipulated agreement that his registration be revoked.

Failure by Action Mortgage of Waunakee, LLC, to comply with the terms of this limitation shall be cause for the revocation of its limited loan originator license and Action Mortgage of Waunakee, LLC, shall voluntarily enter into a stipulated agreement that its registration be revoked.

10. The effective date of this Order shall be the date it is served. Pursuant to s. 227.48, Stats., service is effective upon mailing.

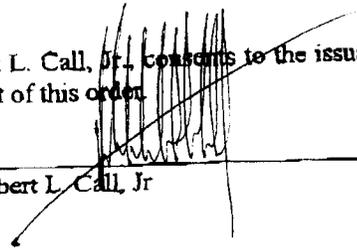
11. Pursuant to s. 224.77(3)(c), Stats., orders of the division are subject to review as provided in ch. 227, Stats.

Dated at Madison, Wisconsin this 24th day of April, 2003.

By: _____
Michael J. Mach, Deputy Administrator
State of Wisconsin
Department of Financial Institutions
Division of Banking
P.O. Box 7876
345 W Washington Avenue, 4th Floor
Madison, WI 53707-7876
608-266-0451

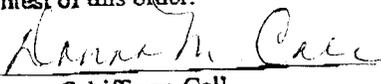
CONSENT

Robert L. Call, Jr. consents to the issuance of the above order, and waives any appeal, review or contest of this order.

By: 
Robert L. Call, Jr

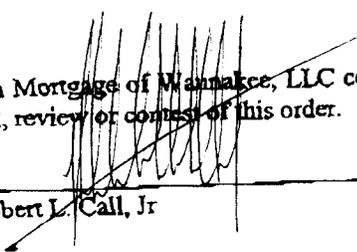
Date: 4-24-03

Donna Schiffman-Call consents to the issuance of the above order, and waives any appeal, review or contest of this order.

By: 
Donna Schiffman-Call

Date: 4-24-03

Action Mortgage of Waunakee, LLC consents to the issuance of the above order, and waives any appeal, review or contest of this order.

By: 
Robert L. Call, Jr

Date: 4-24-03