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3-12-03 JAL

**ORDER**

STATE OF WISCONSIN  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF BANKING

TO: BRIAN R KIRSCH  
KEVIN M. KIRSCH  
NEWLINE MORTGAGE, INC.  
F/K/A NEWLINE MORTGAGE, LLC  
205 W CHERRY ST  
PO BOX 588  
LANCASTER, WI 53813



1. The State of Wisconsin, Department of Financial Institutions, Division of Banking (“division”) shall enforce and carry out all laws relating to mortgage bankers, mortgage brokers and loan originators in the State of Wisconsin, and shall enforce and cause to be enforced every law relating to the supervision and control thereof, pursuant to subch. III, ch. 224, Stats.
2. Newline Realty, LLC, f/k/a Newline Mortgage, LLC, (“Newline Realty”), held a certificate of registration as a mortgage broker with the division, certificate of registration #8980. This certificate of registration (license) expired January 1, 2003. Brian R. Kirsch holds a certificate of registration as a loan originator with the division, certificate of registration #10666. Kevin M. Kirsch holds a certificate of registration as a loan originator with the division, certificate of registration #10664. On December 23, 2002 the division received a mortgage broker application for Newline Mortgage, Inc. This application listed Brian and Kevin Kirsch as the only officers of Newline Mortgage, Inc. Newline Realty, Newline Mortgage, Inc., Brian Kirsch and Kevin Kirsch are located at 205 W. Cherry St, P.O. Box 588, Lancaster, WI 53813.
3. 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).
4. 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.
5. Pursuant to s. 224.77(3), Stats., the division may issue 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; that direct a mortgage banker, mortgage broker or loan originator to cease and desist from engaging in a particular activity; or that direct the mortgage banker, mortgage broker or loan originator to refund or remit certain amounts.

6. The division finds as follows:
- a. An on-site review disclosed numerous files wherein Newline Realty retained original documents such as pay stubs, W2 withholding statements, 1099 forms, income taxes and bank statements. Examples are the [REDACTED] and [REDACTED] files. This is a violation of s. 224.77(1)(i) and (L), Stats.
  - b. An on-site review disclosed numerous files that failed to include a mortgage brokerage services agreement or the agreement failed to 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 was not completely filled out by Newline Realty.
  - c. On or about March 22, 2002, Brian Kirsch presented a Verification of Deposit form and check to Heartland Credit Union and persuaded Heartland's teller to complete the Verification of Deposit form with fictitious account information including the Account Number, Current Balance, Average Balance For Previous Two Months and Date Opened. Brian Kirsch forged [REDACTED] signature, a Heartland Credit Union employee, on the Verification of Deposit. This is a violation of s. 224.77(1)(i), (k), (L) and (m), Stats.
  - d. On April 15, 2002, John Walrath, Director of Mortgage Banking, State of Wisconsin, Department of Financial Institutions, interviewed [REDACTED] Assistant Branch Manager, Heartland Credit Union, regarding other verification forms that may have been completed upon Brian Kirsch's requests. [REDACTED] indicated that in or around May of 2001, Brian Kirsch requested that [REDACTED] complete a Verification of Deposit for [REDACTED] and deposited a check in her account. According to [REDACTED] Brian Kirsch instructed her to list the Average Balance for the Previous Two Months as the Current Balance. This is a violation of s. 224.77(1)(i), (k), (L) and (m), Stats.
  - e. Subsequent to the division's on-site review, the division independently verified the accuracy and authenticity of the information provided on several suspect verification forms and found inaccurate information disclosed on an October 26, 2001 Verification of Deposit form for [REDACTED] that was to be completed by Heartland Credit Union. The division also found inaccurate information on an October 1, 2001 Verification of Loan that was to be completed by Badger State Bank, for [REDACTED]. This Verification of Loan form included the wrong loan type, loan terms and fraudulent signature of [REDACTED] Vice President, Badger State Bank. This is a violation of s. 224.77(1)(i), (k), (L) and (m), Stats.
  - f. Subsequent to the division's on-site review, the division independently verified the authenticity of several suspect lease agreements that were submitted to Countrywide Home Loans d/b/a America's Wholesale Lender by Newline Realty for the [REDACTED] loan(s). On January 15, 2003, John Walrath, Director, faxed the landlord/borrower, [REDACTED] a copy of the lease agreements he received from America's Wholesale Lender. [REDACTED] indicated that three of the lease agreements included an individual that was never a tenant including [REDACTED] who currently works as a loan originator for Newline Realty. Furthermore, [REDACTED] indicated that the signatures on the lease agreements were not her signatures. This is a violation of s. 224.77(1)(i), (k), (L) and (m), Stats.

g. Newline Realty failed to notify the division of a name change from Newline Mortgage, LLC to Newline Realty, LLC and continued to operate under the name Newline Mortgage, LLC. This is a violation of s. 224.77(1)(i), Stats.

h. Upon information and belief, Brian Kirsch and Kevin Kirsch, are the only members of Newline Realty and the only officers of Newline Mortgage, Inc. Brian and Kevin Kirsch are adult individuals related through family, and who, upon information and belief agree to transfer 100% of the ownership of Newline Mortgage, Inc., from Brian and Kevin Kirsch to Kevin Kirsch and amend the existing articles of organization for Newline Mortgage, Inc., to list Kevin Kirsch as the sole officer.

7. IT IS HEREBY ORDERED, based on the foregoing, as follows:

a. The certificate of registration for Brian Kirsch as a loan originator is immediately revoked and terminated.

b. Brian Kirsch, 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.

c. Brian Kirsch, 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** (emphasis added), Newline Mortgage, Inc.

d. Brian Kirsch, 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 Newline Mortgage, Inc.

e. Newline Mortgage, Inc. is granted a Limited Mortgage Broker License effective January 2, 2003, as enumerated in paragraphs 7c, 7d, 7g, 7h, and 7i of this Order.

f. Kevin Kirsch's loan origination license is transferred to Newline Mortgage, Inc. effective January 2, 2003.

g. Newline Mortgage, Inc., must immediately amend its articles of organization to reflect Kevin Kirsch as the sole officer and must affirm in writing that Kevin Kirsch is 100% owner of Newline Mortgage, Inc. Any change in officer, ownership or option for ownership must be approved in writing and in advance by the division.

h. Kevin Kirsch, on behalf of Newline Mortgage, Inc., 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.

- i. The report for Newline Mortgage, Inc., shall include:

Kevin Kirsch's name, address and telephone number.

A statement from Kevin Kirsch indicating whether or not he, and any entity or person directly or indirectly controlled or organized by or on his behalf, engaged in mortgage banking, has complied with all laws relating to the mortgage banking business.

A statement from Kevin Kirsch affirming that Brian Kirsch, 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, Newline Mortgage, Inc., or related entity; and,

Brian Kirsch, 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 Newline Mortgage, Inc., or a related entity.

- j. The limitations enumerated in paragraphs 7c, 7d, 7g, 7h, and 7i may be removed no earlier than March 1, 2005 and only subsequent to a written request by Kevin Kirsch on behalf of Newline Mortgage, Inc., to the division.

Failure by Kevin Kirsch to comply with the terms of this limitation shall be cause for the revocation of his individual loan originator license and Kevin Kirsch shall voluntarily enter into a stipulated agreement that his registration be revoked.

Failure by Newline Mortgage, Inc., to comply with the terms of this limitation shall be cause for the revocation of its limited mortgage brokerage license and Newline Mortgage, Inc., shall voluntarily enter into a stipulated agreement that its registration be revoked.

8. The provisions of this Order shall be binding upon Newline Mortgage, Inc., and Newline Mortgage, Inc.'s directors, officers, employees, agents, successors, assigns, and other persons participating in the conduct of its affairs. The provisions of the Order shall remain effective and enforceable except to the extent that, and until such time as, any provisions of this Order shall have been modified, terminated, suspended, or set aside by the division.

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

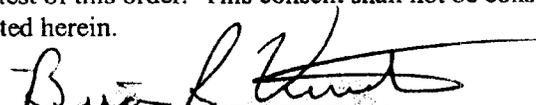
10. Pursuant to s. 224.77(3)(c), Stats., orders of the division are subject to review as provided in ss. 227.42, Stats., *et seq.*

Dated at Madison, Wisconsin this 7<sup>th</sup> day of March, 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, 4<sup>th</sup> Floor  
Madison, WI 53707-7876  
608-266-0451

**CONSENT**

Brian R. Kirsch consents to the issuance of the above order, and waives any appeal, review or contest of this order. This consent shall not be construed as an admission of the allegations recited herein.

By:  Date: 3-5-03  
Brian R. Kirsch

Kevin M. Kirsch consents to the issuance of the above order, and waives any appeal, review or contest of this order. This consent shall not be construed as an admission of the allegations recited herein.

By:  Date: 3-5-03  
Kevin M. Kirsch

Newline Mortgage, Inc., consents to the issuance of the above order, and waives any appeal, review or contest of this order. This consent shall not be construed as an admission of the allegations recited herein.

By:  Date: 3-05-03  
Newline Mortgage, Inc.