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**ORDER REVOKING REGISTRATION**

STATE OF WISCONSIN  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF BANKING

TO: Kristin Rode and  
Unity Mortgage, LLC d/b/a  
1<sup>st</sup> Priority Mortgage  
2270 Holmgren Way, Suite C  
Green Bay, WI 54304

**COPY**

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. Unity Mortgage, LLC, d/b/a 1<sup>st</sup> Priority Mortgage (“Unity”) holds a limited certificate of registration as a mortgage broker with the division, certificate of registration #99-9502. Unity is located at 2270 Holmgren Way, Suite C, Green Bay, WI, 54304. Kristin Rode (“Rode”) holds a certificate of registration as a loan originator with the division, certificate of registration #98-10972. Rode is located at 2967 Blue Moon Dr., Green Bay, WI, 54311.

3. Pursuant to s. 224.77(1), Stats., the division may revoke 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 revoke 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:

On September 9, 2003, Kristin Rode, on behalf of Unity and based on the following findings 6a through 6e, signed a consent order and notice of assessment dated September 9, 2003.

- a. Upon information and belief, Kristin Rode (“Rode”) is the sole member and 100% owner of Unity Mortgage, LLC d/b/a 1<sup>st</sup> Priority Mortgage. Upon information and belief, Rode was also the sole officer and 100% shareholder of the predecessor company, 1<sup>st</sup> Priority Mortgage, Inc.
- b. 1<sup>st</sup> Priority Mortgage, Inc., engaged in unlicensed activity. This is a violation of s. 224.72(1m), Wisc. Stats.
- c. 1<sup>st</sup> Priority Mortgage, Inc.’s lack of sound policies, procedures and internal control system, permitted individuals to engage in loan originator activities prior to or without obtaining a certificate of registration. This is a violation of s. 224.72(1m), Wisc. Stats.
- d. 1<sup>st</sup> Priority Mortgage, Inc., failed to maintain its bond as required under s. 224.72(4m)1, Wisc. Stats. This is a violation of s. 224.77(1)(k), Wisc. Stats.
- e. 1<sup>st</sup> Priority Mortgage, Inc., failed to submit timely financial statements as required under s. 224.74(1), Wisc. Stats., and failed to maintain its books and records in accordance with generally accepted accounting principles. This is a violation of s. 224.77(1)(k), Wisc. Stats.

As provided in the September 9, 2003, consent order and assessment, the division limited Unity’s mortgage brokerage license, findings 6f through 6i, and assessed a forfeiture of \$2,500.00 against Unity, finding 6j, as follows:

- f. Unity Mortgage, LLC, its members, agents, servants, employees, and any entity or person directly or indirectly controlled or organized by or on its behalf, are prohibited from engaging in or permitting its employees to engage in unlicensed activities. Unity shall develop a written policy and procedures for the company and its employees to follow with respect to licensing and licensing renewals.
- g. Each mortgage broker renewal application shall be submitted to the division no less than 30 days prior to expiration and shall include payment by certified funds.
- h. Unity Mortgage, LLC, shall at all times maintain its bond as required under s. 224.72(4m)1, Wisc. Stats., or provide, to the division’s satisfaction, evidence of financial responsibility under s. 224.72(4m), Wisc. Stats.
- i. Unity Mortgage, LLC, shall maintain its books and records in accordance with generally accepted accounting principles and provide, no later than six months following the end of its most recently completed fiscal year, internally prepared financial statements which include a balance sheet, income statement and retained earnings statement. These financial statements must be accompanied by a signed statement from the managing member of the organization that the statements are certified as true and correct.
- j. A forfeiture of \$2500.00 was assessed by the division and was to be paid by certified funds, “due within 60 days after receipt of the notice of assessment.”

On or about October 28, 2003, the division received a notice of bond cancellation from Capital Indemnity Corporation. The reason for cancellation was misrepresentation on behalf of principal. Unity mortgage failed to maintain its bond, required under s. 224.72(4m), Wisc. Stats., as provided in the September 9, 2003 consent order (finding 6h, above). This is a violation of s. 224.77(1)(i), (k), and (m) Wisc. Stats.

Unity failed to pay the aforementioned forfeiture assessed by the division (finding 6j, above). This is a violation of s. 224.77(1)(k), Wisc. Stats.

1<sup>st</sup> Priority Mortgage issued checks upon its business or trust accounts to the Department (checks # 2650 for \$750.00 and # 2655 for \$250.00) and to [REDACTED] (check # 7276 for \$350.00 – complaint #110065) that were returned due to insufficient funds. This is a violation of s. 224.77(1)(i), Wisc. Stats.

According to The Consolidated Court Automation Programs (CCAP) Wisconsin Circuit Court Access, on November 21, 2003, and February 20, 2004, Kristin Rode was found guilty of a forfeiture for County/Municipality Worthless Checks (Brown County Case Number 2003CM002023 and 2004CM000203). This is a violation of s. 224.77(1)(i), Wisc. Stats.

1<sup>st</sup> Priority Mortgage, Inc., failed to properly disclose and refund Good Faith Deposits made by loan applicants for mortgage loan related expenses. Examples are the [REDACTED], [REDACTED], [REDACTED] and [REDACTED] accounts. This is a violation of s. 224.77(1)(h), (i) and (k), Wisc. Stats.

A judgment for money, Case #2003SC005582, was entered on November 20, 2003, against 1<sup>st</sup> Priority Mortgage, Inc., for \$4,546.85., in favor of [REDACTED], a former employee of 1<sup>st</sup> Priority Mortgage. A brief statement by the Plaintiff's Attorney, Thomas J. Coaty, Brown County District Attorney, included the following:

“From September 25, 2002, through September 5, 2003, [REDACTED] was employed by 1<sup>st</sup> Priority Mortgage, Inc. Kristin Rode is the owner/president of this company. [REDACTED] was not paid during the months of July, August, and 1<sup>st</sup> week of September, 2003.... Kristin Rode has admitted that she did not pay [REDACTED] for the months of July, August, and September 1-5, 2003, because there was no money coming in.”

This is a violation of s. 224.77(1)(L), Wisc. Stats.

On October 9, 2003, the division issued an Order against Winston R. Reid. The Order included the following:

“c. Upon information and belief, Reid has and currently is engaged in loan originator activities on behalf of one or more of the following entities:

Equity Lending Corporation, located at 1006 Randolph Dr.,  
Appleton, WI 54911.

Unity Mortgage, LLC, d/b/a 1<sup>st</sup> Priority Mortgage, located at 2270  
Holmgren Way, Green Bay, WI 54304.

Beneficial Funding, located at 2270 Holmgren Way, Green Bay,  
WI 54304.

This does not meet the requirements of s. 224.72(1)(m), Stats., and may be subject to the penalty provided under s. 224.80(1), Stats.

On or about October 6, 2003, the division received a written complaint, DFI #111071 (██████████), regarding Reid's conduct while operating as a loan originator for 1<sup>st</sup> Priority Mortgage and/or Equity Lending Corporation. Reid was not licensed at this time.

On or about October 6, 2003, the division received an incident report from Ashwaubenon Department of Public Safety regarding Reid's conduct as a loan originator on the ██████████ file. Reid was not licensed at this time.

Based on the above-mentioned complaint and incident report, the division alleges that Reid made a substantial misrepresentation providing a Certificate of Pre-Approval and a Mortgage Loan Commitment injurious to ██████████ made false promises to ██████████ made additional material misrepresentations regarding the transaction, kept personal financial documents belonging to ██████████ and failed to account for or remit \$75.00 collected from ██████████ for a "Commitment Fee."

This does not meet the requirements of s. 224.77(1)(b), (c), (d), (h), (i), (k), (L), and (m), Stats."

S. 224.73(1), Wisc. Stats., provides "RESPONSIBILITY FOR LOAN ORIGINATOR. A mortgage banker or a mortgage broker is responsible for, and shall supervise the acts of, a loan originator who registers under s. 224.72(3) as an employee of the mortgage banker or mortgage broker. A mortgage banker or mortgage broker is also responsible for, and shall supervise the acts of, a loan originator or any other person who otherwise acts on behalf of the mortgage banker or mortgage broker."

Kristin Rode, failed to supervise the acts of Winston R. Reid allowing a substantial misrepresentation in the course of practice injurious to one or more of the parties involved in the ██████████ transaction (DFI Complaint #111071). This is a violation of s. 224.77(1)(i) and (k), Wisc. Stats.

In addition, Kristin Rode, as noted above, failed to maintain a bona fide office, as indicated in the application for registration, by allowing Mr. Reid to operate the above-mentioned company, Beneficial Funding, at the same location as 1<sup>st</sup> Priority Mortgage, Inc. This is a violation of s. 224.77(1)(k), Wisc. Stats.

Unity's mortgage brokerage agreement does not comply with DFI-BKG 43.04(5m)(a). This is a violation of s. 224.77(1)(i), Wisc. Stats.

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

a. Pursuant to s. 224.77(1), the division may and does hereby revoke the certificate of registration of Unity Mortgage, LLC d/b/a 1<sup>st</sup> Priority Mortgage, DFI license number 99-9502, and Kristin Rode, DFI license number 98-10972.

8. The provisions of this Order shall be binding upon Unity Mortgage, LLC, Kristin Rode, and Unity Mortgage, LLC'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(3m), a person whose certificate of registration has been revoked under this section may request a hearing under s. 227.44 within 30 days after the date of revocation of the certificate of registration.

Dated at Madison, Wisconsin this <sup>12</sup>10<sup>th</sup> day of March, 2004.

By: \_\_\_\_\_  
Michael J. Mach, 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  
tel. (608) 266-0451

## NOTICE OF PROCEDURE TO REQUEST HEARING

Pursuant to Wisconsin Statutes section 224.77(3m), a person whose certificate of registration has been revoked may request a hearing under s. 227.42, *et seq.* within 30 days after the date of revocation.

**Four criteria must be met before the division will grant a hearing on the revocation.** Wisconsin Statute section 227.42(1) states as follows:

*"[A]ny person filing a written request with an agency for hearing shall have the right to a hearing if:*

- (a) A substantial interest of the person is injured in fact or threatened with injury by agency action or inaction;*
- (b) There is no evidence of legislative intent that the interest is not be protected;*
- (c) The injury to the person requesting a hearing is different in kind or degree from injury to the general public caused by the agency action or inaction; and*
- (d) There is a dispute of material fact.*

All four criteria must be met. In particular, the attention of an individual or entity requesting a hearing is directed to the requirement to demonstrate that there is a dispute of material fact regarding the basis for the revocation.

**For a request for a hearing to receive consideration by the division, the request must be received by the division within 30 days of the date of the revocation.**

The request shall be sent to:

Michael J. Mach, 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