

ORDER

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

TO: Rory Gene Klossner

[REDACTED]
[REDACTED]
Respondent

PURPOSE

1. This is an order issued by the Administrator, State of Wisconsin, Department of Financial Institutions, Division of Banking and directed to respondent.

JURISDICTION and AUTHORITY

2. 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. Ch. 224, subch. III, Stats

3. Respondent holds a certificate of registration under ch. 224, subch. III, Stats., with the division, certificate of registration #36754. Respondent is located at the address indicated above.

4. 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 s. 224.77, Stats., for revoking, suspending or limiting a certificate of registration. Sec. 224.77(3)(a), Stats.

5. Special orders may direct a mortgage banker, loan originator or mortgage broker to cease and desist from engaging in a particular activity or may direct the mortgage banker, loan originator or mortgage broker to refund or remit certain amounts. Sec. 224.77(3)(b), Stats.

6. The division may assess against a person who is registered under ch. 224, Stats., a forfeiture of not more than \$2,000 for each violation enumerated under ss. 224.77(1)(a) to (o) or (r), Stats. Sec. 224.77(1m), Stats.

FINDINGS

The division finds as follows:

7. On or about January 2, 2007, the division received a complaint filed against respondent and Geneva Mortgage Group LLC ("Geneva") by [REDACTED].
Ex. 1.

8. As part of the division's investigation of the complaint, some of [REDACTED] [REDACTED] loan documents were obtained by the division and forwarded to [REDACTED] [REDACTED]. Upon their review of the application, good faith estimate, and initial truth-in-lending statement, [REDACTED] alleged that they had not seen the application, good faith estimate, or initial truth-in-lending statement prior to closing and that respondent forged [REDACTED] signatures on these documents prior to closing. Ex. 2.

9. On February 1, 2007, [REDACTED] filed a complaint with [REDACTED] Police Department alleging that respondent forged [REDACTED] signature on the documents in question. Ex. 3.

10. On or about February 16, 2007, Detective [REDACTED] ("[REDACTED]") of the [REDACTED] Police Department interviewed respondent.

11. On or about March 7, 2007, the division received a copy of [REDACTED] "Narrative Of Reporting Officer." In the "Narrative Of Reporting Officer," [REDACTED] states, in part, "When I asked Klossner about the mortgage application in question, he informed me he, himself, signed [REDACTED] name to the documentation. I reviewed the mortgage application document with Klossner, and he informed me everything on it he wrote himself without the knowledge of Geneva Mortgage Company. Klossner stated he knew this was wrong and illegal. Klossner stated that he had done this several times, and he knew he should not but felt it would expedite the process. Klossner also stated that the [REDACTED] were not aware of the mortgage application or the truth in lending statement and what it contained, as he had not provided them with a copy of these documents. Klossner stated that the [REDACTED] became aware of the discrepancies after he had attempted to obtain refinancing for the [REDACTED] and was unsuccessful." Ex. 3.

12. Pursuant to s. 224.77(1)(m), Stats., the division may revoke, suspend or limit the certificate of registration of a loan originator, or may reprimand a loan originator, if the division finds that the loan originator engaged in conduct which constitutes improper, fraudulent or dishonest dealing.

13. Respondent engaged in conduct which constitutes improper, fraudulent or dishonest dealing when respondent signed various loan documents as [REDACTED].

14. Respondent engaged in conduct which constitutes improper, fraudulent or dishonest dealing when respondent did not provide [REDACTED] with copies of the loan application, good faith estimate or initial Truth-In-Lending disclosures.

15. Pursuant to s. 224.77(1)(i), Stats., the division may revoke, suspend or limit the certificate of registration of a loan originator, or may reprimand a loan originator, if the division finds that the loan originator demonstrated a lack of competency to act as a loan originator in a way which safeguards the interests of the public.

16. Respondent demonstrated a lack of competency to act as a loan originator in a way which safeguards the interests of the public when respondent signed various loan documents as [REDACTED].

17. Respondent demonstrated a lack of competency to act as a loan originator in a way which safeguards the interests of the public when respondent did not provide [REDACTED]

██████████ with copies of the loan application, good faith estimate or initial Truth-In-Lending disclosures.

18. Pursuant to s. 224.77(1)(L), Stats., the division may revoke, suspend or limit the certificate of registration of a loan originator, or may reprimand a loan originator if the division finds that the loan originator engaged in conduct which violates a standard of professional behavior which, through professional experience, has become established for loan originators.

19. Respondent engaged in conduct which violates a standard of professional behavior which, through professional experience, has become established for loan originators when respondent signed various loan documents as ██████████

20. Respondent engaged in conduct which violates a standard of professional behavior which, through professional experience, has become established for loan originators when respondent did not provide ██████████ with copies of the loan application, good faith estimate or initial Truth-In-Lending disclosures.

21. Pursuant to s. 224.77(1)(k), Stats., the division may revoke, suspend or limit the certificate of registration of a loan originator, or may reprimand a loan originator, if the division finds that the loan originator violated any provision of subch. III, ch. 224, Stats., ch. 138, Stats. or any federal or state statute, rule or regulation which relates to practice as a loan originator.

22. Pursuant to s. 226.19(a)(1) of Federal Regulation Z ("Reg Z"), the creditor shall make good faith estimates of the disclosures required by s. 226.18 of Reg Z before consummation, or shall deliver or place them in the mail not later than three business days after the creditor receives the consumer's written application, whichever is earlier.

23. Respondent violated s. 226.19(a)(1) of Reg Z and s. 224.77(1)(k), Stats., by not delivering to ██████████ the disclosures required by s. 226.18 of Reg Z within three days of receiving ██████████ application.

ORDER

24. Based on the foregoing, IT IS HEREBY ORDERED that respondent's certificate of registration as a loan originator is revoked.

25. The provisions of this order shall be binding upon respondent. 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.

26. The effective date of this Order shall be the date it is served, and service is complete upon mailing. Secs. 227.48(1), Stats., and DFI—Bkg 11.09, Admin. Code.

Dated and mailed at Madison, Wisconsin this 11th day of April, 2007.

By: 

Michael J. Mach, Administrator
Wisconsin Department of Financial Institutions
Division of Banking
P.O. Box 7876
345 W. Washington Avenue, 4th Floor
Madison, WI 53707-7876
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APPEAL

The procedures to appeal this order are set forth in s. 227.42, Stats. Pursuant to s. 227.42(1), Stats., any person filing a written request with an agency for hearing shall have the right to a hearing which shall be treated as a contested case 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 to 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 set for in s. 227.42(1), Stats., must be met for a person to have the right to a hearing. 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 or bases for the action being taken by the division.

The request shall be sent to:

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