

STATE OF WISCONSIN

CIRCUIT COURT

MARATHON COUNTY

STATE OF WISCONSIN,

Plaintiff,

v.

Case No. 2012-CF-000

4107

JAY S. FISCHER, DOB: 06/24/1960
139 PINE RIDGE COURT
MARION, WI 54950-8707,

Defendant.

WARRANT

THE STATE OF WISCONSIN TO ANY LAW ENFORCEMENT OFFICER:

A complaint, copy of which is attached, having been filed with me accusing the defendant of committing the crimes of racketeering, theft, fraudulent writing, and failure to file a tax return, contrary to secs. 946.83(3), 943.20(3)(c), 943.39(2), and 71.83(2)(a)1., Stats., and I having found that probable cause exists that the crimes were committed by the defendant. You are, therefore, commanded to arrest the defendant and bring him before me, or, if I am not available, before some other judge of this county.

Dated this 9th day of July, 2012.

By Order of the Court:



Hon. Gregory B. Huber

Marathon County Circuit Court Judge

cc: Winn S. Collins, Assistant Attorney General
Gary R. McCartan, Attorney for Defendant

STATE OF WISCONSIN

CIRCUIT COURT

MARATHON COUNTY

STATE OF WISCONSIN,

Plaintiff,

v.

COPY
Case No. 12-CF-000407

JAY S. FISCHER, DOB: 06/24/1960
139 PINE RIDGE COURT
MARION, WI 54950-8707

Defendant.

CRIMINAL COMPLAINT

Special Agent Loreen Glaman, with the Division of Criminal Investigation at the Wisconsin Department of Justice, being first duly sworn, states that:

Count 1: Racketeering Activity and Continuing Criminal Enterprise

The above-named defendant, from about 2009 to 2010, in Marathon County, Wisconsin, as an employee or associate of an enterprise, directly or indirectly conducted or participated in the enterprise through a pattern of racketeering activity, that is to say, by engaging in at least 3 of incidents charged in Counts 2 thru 21, contrary to Wisconsin Statutes section 946.83(3), a Class E felony pursuant to section 946.84(1), and upon conviction may be fined not more than \$50,000 or imprisonment not to exceed 15 years, or both, pursuant to section 939.50(3)(e).

Count 2: Theft by Virtue of Business or Employment - Embezzlement

The above-named defendant, from about July 2009 until about September 2010, in Marathon County, Wisconsin, in a transaction for a property on Hillcrest Drive, by virtue of his business or employment, had

possession or custody of money and intentionally used, concealed, or retained possession of the money without the owner's consent, contrary to his authority, and with intent to convert the money to his own use, contrary to Wisconsin Statutes section 943.20(1)(b), a Class G felony pursuant to section 943.20(3)(c), and upon conviction may be fined not more than \$25,000 or imprisonment not to exceed 10 years, or both, pursuant to section 939.50(3)(g).

Count 3: Fraudulent Writing - Obtaining a Signature by Deceit

The above-named defendant, in or about July 2009, in Marathon County, Wisconsin, in a transaction for a property on Hillcrest Drive, by means of deceit, obtained a signature to a writing by which legal rights or obligations were created or transferred with intent to defraud, contrary to Wisconsin Statutes section 943.39(2), a Class H felony and upon conviction may be fined not more than \$10,000 or imprisonment not to exceed 6 years, or both, pursuant to section 939.50(3)(h).

Count 4: Theft by Virtue of Business or Employment - Embezzlement

The above-named defendant, from about August 2009 until about September 2010, in Marathon County, Wisconsin, in a transaction for a property on Sixth Street, by virtue of his business or employment, had possession or custody of money and intentionally used, concealed, or retained possession of the money without the owner's consent, contrary to his authority, and with intent to convert the money to his own use, contrary to Wisconsin Statutes section 943.20(1)(b), a Class G felony pursuant to section 943.20(3)(c), and upon conviction may be fined not more than \$25,000 or imprisonment not to exceed 10 years, or both, pursuant to section 939.50(3)(g).

Count 5: Fraudulent Writing - Obtaining a Signature by Deceit

The above-named defendant, in or about August 2009, in Marathon County, Wisconsin, in a transaction for a property on Sixth Street, by means of deceit, obtained a signature to a writing by which legal rights or obligations were created or transferred with intent to defraud, contrary to Wisconsin Statutes section 943.39(2), a Class H felony and upon conviction may be fined not more than \$10,000 or imprisonment not to exceed 6 years, or both, pursuant to section 939.50(3)(h).

Count 6: Theft by Virtue of Business or Employment - Embezzlement

The above-named defendant, from about August 2009 until about September 2010, in Marathon County, Wisconsin, in a transaction for a property on Second Street, by virtue of his business or employment, had possession or custody of money and intentionally used, concealed, or retained possession of the money without the owner's consent, contrary to his authority, and with intent to convert the money to his own use, contrary to Wisconsin Statutes section 943.20(1)(b), a Class G felony pursuant to section 943.20(3)(c), and upon conviction may be fined not more than \$25,000 or imprisonment not to exceed 10 years, or both, pursuant to section 939.50(3)(g).

Count 7: Fraudulent Writing - Obtaining a Signature by Deceit

The above-named defendant, in or about August 2009, in Marathon County, Wisconsin, in a transaction for a property on Second Street, by means of deceit, obtained a signature to a writing by which legal rights or obligations were created or transferred with intent to defraud, contrary to Wisconsin Statutes section 943.39(2), a Class H felony and upon conviction may be fined not more than \$10,000 or imprisonment not to exceed 6 years, or both, pursuant to section 939.50(3)(h).

Count 8: Theft by Virtue of Business or Employment - Embezzlement

The above-named defendant, from about February 2010 until about September 2010, in Marathon County, Wisconsin, in a transaction for a property on Newton Street, by virtue of his business or employment, had possession or custody of money and intentionally used, concealed, or retained possession of the money without the owner's consent, contrary to his authority, and with intent to convert the money to his own use, contrary to Wisconsin Statutes section 943.20(1)(b), a Class G felony pursuant to section 943.20(3)(c), and upon conviction may be fined not more than \$25,000 or imprisonment not to exceed 10 years, or both, pursuant to section 939.50(3)(g).

Count 9: Fraudulent Writing - Obtaining a Signature by Deceit

The above-named defendant, in or about February 2010, in Marathon County, Wisconsin, in a transaction for a property on Newton Street, by

means of deceit, obtained a signature to a writing by which legal rights or obligations were created or transferred with intent to defraud, contrary to Wisconsin Statutes section 943.39(2), a Class H felony and upon conviction may be fined not more than \$10,000 or imprisonment not to exceed 6 years, or both, pursuant to section 939.50(3)(h).

Count 10: Theft by Virtue of Business or Employment - Embezzlement

The above-named defendant, from about February or March 2010 until about September 2010, in Marathon County, Wisconsin, in a transaction for a property on Burlington Drive, by virtue of his business or employment, had possession or custody of money and intentionally used, concealed, or retained possession of the money without the owner's consent, contrary to his authority, and with intent to convert the money to his own use, contrary to Wisconsin Statutes section 943.20(1)(b), a Class G felony pursuant to section 943.20(3)(c), and upon conviction may be fined not more than \$25,000 or imprisonment not to exceed 10 years, or both, pursuant to section 939.50(3)(g).

Count 11: Fraudulent Writing - Obtaining a Signature by Deceit

The above-named defendant, in or about February or March 2010, in Marathon County, Wisconsin, in a transaction for a property on Burlington Drive, by means of deceit, obtained a signature to a writing by which legal rights or obligations were created or transferred with intent to defraud, contrary to Wisconsin Statutes section 943.39(2), a Class H felony and upon conviction may be fined not more than \$10,000 or imprisonment not to exceed 6 years, or both, pursuant to section 939.50(3)(h).

Count 12: Theft by Virtue of Business or Employment - Embezzlement

The above-named defendant, from about March 2010 until about September 2010, in Marathon County, Wisconsin, in a transaction for a property on Twenty-Seventh Street, by virtue of his business or employment, had possession or custody of money and intentionally used, concealed, or retained possession of the money without the owner's consent, contrary to his authority, and with intent to convert the money to his own use, contrary to Wisconsin Statutes section 943.20(1)(b), a Class G felony pursuant to section 943.20(3)(c), and upon conviction may be fined not more than \$25,000 or

imprisonment not to exceed 10 years, or both, pursuant to section 939.50(3)(g).

Count 13: Fraudulent Writing - Obtaining a Signature by Deceit

The above-named defendant, in or about March 2010, in Marathon County, Wisconsin, in a transaction for a property on Twenty-Seventh Street, by means of deceit, obtained a signature to a writing by which legal rights or obligations were created or transferred with intent to defraud, contrary to Wisconsin Statutes section 943.39(2), a Class H felony and upon conviction may be fined not more than \$10,000 or imprisonment not to exceed 6 years, or both, pursuant to section 939.50(3)(h).

Count 14: Theft by Virtue of Business or Employment - Embezzlement

The above-named defendant, from about April 2010 until about September 2010, in Marathon County, Wisconsin, in a transaction for a property on Heritage Hills Drive, by virtue of his business or employment, had possession or custody of money and intentionally used, concealed, or retained possession of the money without the owner's consent, contrary to his authority, and with intent to convert the money to his own use, contrary to Wisconsin Statutes section 943.20(1)(b), a Class G felony pursuant to section 943.20(3)(c), and upon conviction may be fined not more than \$25,000 or imprisonment not to exceed 10 years, or both, pursuant to section 939.50(3)(g).

Count 15: Fraudulent Writing - Obtaining a Signature by Deceit

The above-named defendant, in or about April 2010, in Marathon County, Wisconsin, in a transaction for a property on Heritage Hills Drive, by means of deceit, obtained a signature to a writing by which legal rights or obligations were created or transferred with intent to defraud, contrary to Wisconsin Statutes section 943.39(2), a Class H felony and upon conviction may be fined not more than \$10,000 or imprisonment not to exceed 6 years, or both, pursuant to section 939.50(3)(h).

Count 16: Theft by Virtue of Business or Employment - Embezzlement

The above-named defendant, from about June or July 2010 until about September 2010, in Marathon County, Wisconsin, in a transaction for a

property on Old Highway 51, by virtue of his business or employment, had possession or custody of money and intentionally used, concealed, or retained possession of the money without the owner's consent, contrary to his authority, and with intent to convert the money to his own use, contrary to Wisconsin Statutes section 943.20(1)(b), a Class G felony pursuant to section 943.20(3)(c), and upon conviction may be fined not more than \$25,000 or imprisonment not to exceed 10 years, or both, pursuant to section 939.50(3)(g).

Count 17: Fraudulent Writing - Obtaining a Signature by Deceit

The above-named defendant, in or about June or July 2010, in Marathon County, Wisconsin, in a transaction for a property on Old Highway 51, by means of deceit, obtained a signature to a writing by which legal rights or obligations were created or transferred with intent to defraud, contrary to Wisconsin Statutes section 943.39(2), a Class H felony and upon conviction may be fined not more than \$10,000 or imprisonment not to exceed 6 years, or both, pursuant to section 939.50(3)(h).

Count 18: Theft by Virtue of Business or Employment - Embezzlement

The above-named defendant, from about August 2010 until about September 2010, in Marathon County, Wisconsin, in a transaction for a property on Jaynes Road, by virtue of his business or employment, had possession or custody of money and intentionally used, concealed, or retained possession of the money without the owner's consent, contrary to his authority, and with intent to convert the money to his own use, contrary to Wisconsin Statutes section 943.20(1)(b), a Class G felony pursuant to section 943.20(3)(c), and upon conviction may be fined not more than \$25,000 or imprisonment not to exceed 10 years, or both, pursuant to section 939.50(3)(g).

Count 19: Fraudulent Writing - Obtaining a Signature by Deceit

The above-named defendant, in or about August 2010, in Marathon County, Wisconsin, in a transaction for a property on Jaynes Road, by means of deceit, obtained a signature to a writing by which legal rights or obligations were created or transferred with intent to defraud, contrary to Wisconsin Statutes section 943.39(2), a Class H felony and upon conviction

may be fined not more than \$10,000 or imprisonment not to exceed 6 years, or both, pursuant to section 939.50(3)(h).

Count 20: Theft by Virtue of Business or Employment - Embezzlement

The above-named defendant, from about August 2010 until about September 2010, in Marathon County, Wisconsin, in a transaction for a property on Woodland Ridge Road, by virtue of his business or employment, had possession or custody of money and intentionally used, concealed, or retained possession of the money without the owner's consent, contrary to his authority, and with intent to convert the money to his own use, contrary to Wisconsin Statutes section 943.20(1)(b), a Class G felony pursuant to section 943.20(3)(c), and upon conviction may be fined not more than \$25,000 or imprisonment not to exceed 10 years, or both, pursuant to section 939.50(3)(g).

Count 21: Fraudulent Writing - Obtaining a Signature by Deceit

The above-named defendant, in or about August 2010, in Marathon County, Wisconsin, in a transaction for a property on Woodland Ridge Road, by means of deceit, obtained a signature to a writing by which legal rights or obligations were created or transferred with intent to defraud, contrary to Wisconsin Statutes section 943.39(2), a Class H felony and upon conviction may be fined not more than \$10,000 or imprisonment not to exceed 6 years, or both, pursuant to section 939.50(3)(h).

Count 22: Failure to File a Corporation Tax Return

The above-named defendant, in March 2010, in Marathon County, Wisconsin, as an officer of a corporation required by law to file a return of the corporation's statement for the taxable year ending 2009, willfully failed to file the return at the time required by law, which was on or before March 2010, contrary to Wisconsin Statutes section 71.83(2)(a)1., a misdemeanor and upon conviction may be fined not more than \$10,000 or imprisonment not to exceed 9 months, or both, pursuant to section 71.83(2)(a)1.

Count 23: Failure to File an Individual Tax Return

The above-named defendant, in April 2010, in Marathon County, Wisconsin, as a person required by law to file a return of his income for the

taxable year ending 2009, willfully failed to file the return at the time required by law, which was on or before April 2010, contrary to Wisconsin Statutes section 71.83(2)(a)1., a misdemeanor and upon conviction may be fined not more than \$10,000 or imprisonment not to exceed 9 months, or both, pursuant to section 71.83(2)(a)1.

Count 24: Failure to File a Corporation Tax Return

The above-named defendant, in March 2010, in Marathon County, Wisconsin, as an officer of a corporation required by law to file a return of the corporation's statement for the taxable year ending 2010, willfully failed to file the return at the time required by law, which was on or before March 2011, contrary to Wisconsin Statutes section 71.83(2)(a)1., a misdemeanor and upon conviction may be fined not more than \$10,000 or imprisonment not to exceed 9 months, or both, pursuant to section 71.83(2)(a)1.

Count 25: Failure to File an Individual Tax Return

The above-named defendant, in April 2010, in Marathon County, Wisconsin, as a person required by law to file a return of his income for the taxable year ending 2010, willfully failed to file the return at the time required by law, which was on or before April 2011, contrary to Wisconsin Statutes section 71.83(2)(a)1., a misdemeanor and upon conviction may be fined not more than \$10,000 or imprisonment not to exceed 9 months, or both, pursuant to section 71.83(2)(a)1.

Facts Constituting the Offenses Charged

I, the complainant, am a Special Agent (S/A) with the Division of Criminal Investigation (DCI) at the Wisconsin Department of Justice (DOJ) and base this complaint upon my own investigation along with the investigation of the other sworn law enforcement officers named within this complaint. The reports and attachments to the reports rely upon the statements from many individuals, including witnesses, victims, and the defendant named within this complaint. I specifically identify the names of the other officers and witnesses later within this complaint. This complaint does not identify any victim by name based upon a victim's right "[t]o be treated with fairness, dignity, and respect for his or her privacy by public officials, employees, or agencies." Wis. Stat. § 950.04(1v)(ag), *see also* 2011

Wis. Act 283. This complaint distinguishes victims' statements from one another by providing as few identifiers as possible, relying upon the location of the property as the predominant identifier. I believe that the information contained within the reports and attachments is truthful and reliable. Statements attributed to the investigating officers are presumed truthful and reliable as statements from sworn law enforcement officers. Incriminating statements attributed to the defendant, are presumed truthful and reliable as statements against his penal interest. Statements attributed to the other identified parties are believed to be truthful and reliable as statements from victims and witnesses to a crime. Based upon information and belief, I state the following:

Definitions

- 1) I offer the following definitions related to terms used in this criminal complaint:
 - a) "Closing" means "[t]he culmination of any [real estate] transaction in which the interested parties or their representatives meet to execute documents, exchange funds, and transfer title to a property." FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL, THE DETECTION AND DETERRENCE OF MORTGAGE FRAUD AGAINST FINANCIAL INSTITUTIONS: A WHITE PAPER A-1 (2009), *available at* http://www.ffiec.gov/exam/Mtg_Fraud_wp_Feb2010.pdf [hereinafter FFIEC].
 - b) "Closing Agent" means "[a]n individual or company that oversees the consummation of a mortgage transaction at which the note and other legal documents are signed and the loan proceeds are disbursed," also termed "settlement agent" and "escrow agent." *Id.* at A-2.
 - c) "Defalcation" means "embezzlement." Black's Law Dictionary 427 (7th ed. 1999) (emphasis omitted).
 - d) "Embezzlement" means "[t]he fraudulent taking of personal property with which one has been entrusted, . . . [a]lso termed *defalcation*." *Id.* at 540.

- e) "Enterprise" means "any sole proprietorship, partnership, limited liability company, corporation, business trust, union organized under the laws of this state or other legal entity or any union not organized under the laws of this state, association or group of individuals associated in fact although not a legal entity," including "illicit and licit enterprises and governmental and other entities." Wis. Stat. § 946.82(2).
- f) "Escrow" means "[a]n account held in trust or as security." Black's Law Dictionary at 565.
- g) "Fiduciary" means "[o]ne who owes to another the duties of good faith, trust, confidence, and candor." *Id.* at 640.
- h) "HUD-1" means "[a] standardized form prescribed by the Department of Housing and Urban Development that provides an itemization listing of funds paid at closing," including such items as the real estate "commissions, loan fees, points, taxes, initial escrow amounts, and other parties receiving distributions," also termed a "closing statement" or "settlement sheet." FFIEC at A-5.
- i) "Lapping" means "[a] fraud that involves stealing one customer's payment and then crediting that customer's account with a subsequent customer's payment." *Id.*
- j) "Pattern of Racketeering Activity" means "engaging in at least 3 incidents of racketeering activity that have the same or similar intents, results, accomplices, victims or methods of commission or otherwise are interrelated by distinguishing characteristics, provided." Wis. Stat. § 946.82(3).
- k) "Racketeering activity" includes any "attempt, conspiracy to commit, or commission" of any felony offense for theft or fraudulent writing. *Id.* at § 946.82(4).
- l) "Settlement Fraud" means "the diversion or embezzlement of funds for uses other than those specified in the lender's closing instructions" such as "the failure to satisfy/pay off mortgage loans after closings," also termed "title fraud" and "non-satisfaction of mortgage." FEDERAL BUREAU OF INVESTIGATION, 2010 MORTGAGE

FRAUD REPORT YEAR IN REVIEW 18-19 (2011), *available at* <http://www.fbi.gov/stats-services/publications/mortgage-fraud-2010/mortgage-fraud-report-2010> [hereinafter FBI].

- m) "Title Agent" means "a person or firm that is authorized on behalf of a title insurer to conduct a title search and issue a title insurance report or title insurance policy." FFIEC at A-9.
- n) "Title Company" means the "[e]ntity that researches recorded ownership of and liens filed against real property and then issues a title insurance policy guaranteeing the lien position of the lender or provides a title opinion." *Id.* at A-9.

Summary

- 2) The defendant, Jay Fischer (Fischer), operated a business named Valley Title, Inc., (Valley Title), which was located at 514 S. 17th Avenue in the City of Wausau, Marathon County, Wisconsin. From my investigation, I determined that Valley Title served as the closing agent for real estate transactions, including the sale and refinancing of homes in Wisconsin. According to Wisconsin Department of Financial Institutions (DFI) records, Fischer registered Valley Title as the corporation in 1989. The DFI records show that Fischer was the president and registered agent for the corporation. Danielle Delonay (Delonay), a former employee of Valley Title, explained that she worked for Valley Title for approximately 11 to 12 years and she confirmed that Fischer was the sole person who prepared and executed the closings of the real estate transactions for Valley Title. Delonay described the business as having only a few employees with Fischer running the business and handling the real estate closings. The DFI records confirm that Valley Title is an enterprise as a registered corporation with DFI. At the time of the transactions described in this complaint, Fischer was the title agent for the Old Republic National Title Insurance Company (Old Republic).
- 3) Special Agent (S/A) Lisa Kennedy of the Criminal Investigation Section within the Income, Sales and Excise Tax Division at the Wisconsin Department of Revenue (DOR) submitted a report that Fischer failed to file income and corporate tax returns for the years of 2009 and 2010.

- 4) Douglas F. Pollock (Pollock), a Certified Fraud Examiner (CFE), retained by Old Republic summarized the defalcation that occurred in eight transaction investigated by Old Republic. Pollock interviewed Fischer on multiple occasions in September 2010. Pollock also received documents from Fischer related to Valley Title. Pollock reported that Fischer admitted that he had not paid off mortgages as required after the closing. Fischer had received money from financial institutions based upon Valley Title serving as the title agent. Pollock stated that Fischer admitted to eight specific transactions where he received money from financial institutions and failed to pay off the preexisting mortgage contrary to his authority as the title agent. This left the property owner with two mortgages. According to Pollock, Fischer described his actions as a "lapping scheme." On September 21, 2010, Fischer signed a statement under oath admitting that he failed to payoff prior mortgages resulting in Old Republic incurring a loss projected at \$1.1 million. The document was later recorded by the Marathon County Register of Deed on September 24, 2010. Based upon my investigation, Fischer continues to have not paid any of these eight mortgages. Each closing included a settlement sheet (HUD-1), which showed the obligation for a payoff of the mortgage as part of the closing.
- 5) I received reports from Special Investigator (S/I) Charles Jones of Marathon County related to two additional transactions where Fischer did not initially pay off mortgages as required. In both transactions, the property owners discovered the lack of payoff and repeatedly contacted Fischer regarding his failure to pay off the old mortgages. Fischer ultimately satisfied these two mortgages only after repeated contacts from the property owners.
- 6) Fischer received funds in the transactions for the purpose of satisfying \$1,190,315.50 in ten mortgages, but Fischer failed to payoff any of the ten mortgages at or near the time of the closing. Fischer received \$1,165,395.21 into his business' trust account from the new mortgage providers. Fischer also received an additional \$79,209.35 from the buyer and seller in one of the transactions. The following tables summarize the funds received by Fischer at Valley Title in the ten transactions:

Transaction	Old Mortgage	Payoff	New Mortgage	Deposit
Hillcrest Dr.	TB&W Mortgage	\$ 243,195.61	Bank of America	\$ 248,101.15
6th Street	PHH Mortgage	54,198.41	First United Bank	56,941.02
2nd Street	Oregon Bank	82,573.52	Bank of America	86,804.04
Newton St.	JPMorgan Chase	81,368.93	Horizon Bank	84,922.00
Burlington Drive	PNC Bank	96,542.59	Fifth Third Bank	99,515.29
27th Street	JPMorgan Chase	78,489.54	Horizon Bank	82,611.00
Heritage Hills Drive	Bank of America	117,802.15	Johnson Bank	119,200.00
Old Hwy. 51	CitiMortgage	78,623.79	CitiMortgage	80,496.64
Lynn Rd.	Royal Credit Union	108,311.02	Royal Credit Union	120,000.00

remaining eight mortgages. In the transaction identified as "6th Street," the property owner suffered personally in having to endure two mortgages. In the transaction identified as "Jaynes Rd.," the financial institution, Royal Credit Union, suffered the loss of the unsatisfied mortgage. In the remaining six transactions, Old Republic suffered the loss from Fischer's defalcation. Fischer failed to pay off a total of \$975,970.76 in the eight mortgages and received an additional \$79,209.35 in one of the transactions.

- 7) Fischer had numerous personal and business bank accounts, including trust accounts for Valley Title at Associated Bank and at AbbyBank. In the transaction involving Woodland Ridge Road, Fischer deposited the financial institution mortgage into the trust account at AbbyBank on or about September 8, 2010. For the month of September 2010, this account had a starting balance of \$5.01 and an ending balance of \$0.00. For the remaining nine transactions, Fischer deposited the financial institution mortgages into the trust account at Associated Bank. The following table shows the starting and ending balance in this account based upon records provided by Associated Bank:

		Starting Balance	Ending Balance
2009	July	\$ 564,355.48	\$ 675,341.03
	August	675,341.03	1,533,814.21
	September	1,533,814.21	129,239.15
	October	129,239.15	278,807.04
	November	278,807.04	276,867.78
	December	276,867.78	301,194.29
2010	January	301,194.29	214,234.59
	February	214,234.59	520,104.52
	March	520,104.52	294,470.36
	April	294,470.36	228,915.56
	May	228,915.56	367,603.25
	June	367,603.25	58,469.34
	July	58,469.34	85,650.18
	August	85,650.18	76,153.67
	September	76,153.67	20,181.28

The above table shows that Fischer's withdrawals from the Valley Title trust account at Associated Bank exceeded the deposits resulting in the account depleting from \$564,355.48 on July 1, 2009, to \$20,181.28 on September 30, 2010. This occurred during the same time period when Fischer retained possession of approximately one million dollars in unsatisfied mortgages. Fischer admitted to Pollock that he intentionally used the entrusted funds contrary to his fiduciary duty. Pollock reported that Fischer admitted to using approximately \$200,000 to \$300,000 for operating expenses at Valley Title along with another \$200,000 at Home in One Mortgage and \$100,000 at Wellcome Home Mortgage, which were other businesses Fischer operated. Fischer explained that he withdrew the escrow funds in even dollar amounts, generally in amounts around \$3,000 to \$4,000 with no identifying information to a particular transaction. Fischer further admitted to withdrawing funds to pay attorney fees as well as make payments on a business loan and his personal home mortgage. Fischer said that he purchased his residence for approximately \$600,000. Subsequent investigation showed that Fischer concealed his actions by making monthly payments on the old mortgages in many of the transactions. The bank records and Fischer's admission demonstrate his intent to convert the money to his own use, which was contrary to his entrusted authority.

Hillcrest Drive (July 2009)

- 8) In 2009, a husband and wife decided to refinance the mortgage for their residence, which was located on Hillcrest Drive in Dane County, Wisconsin. As part of the refinancing process, Fischer served as the closing agent through his business of Valley Title. The closing occurred on or about July 17, 2009. The husband provided the following summary of the transaction:
 - a) The husband stated that the couple decided to refinance their mortgage through the assistance of James Dupuis (Dupuis). He explained that they received Dupuis' name from a financial advisor who assisted them with a financial plan as the couple prepared for retirement. He relied upon Dupuis to handle the paperwork and details of the transaction.

- b) The husband explained that Dupuis provided the closing paperwork to them at the couple's residence. He stated that they never met Fischer and never went to Valley Title. Records from this transaction showed that Dupuis utilized a business, Home in One Mortgage (Home in One), to secure the new mortgage. Dupuis explained in an interview that Home in One was a business he operated with Fischer. Dupuis also stated that Fischer operated Valley Title. The records show that Dupuis ordered title insurance through Valley Title. Fischer then signed the closing documents as the closing agent. Dupuis confirmed in the interview that Home in One and Valley Title were located in Marathon County, Wisconsin. The interview with Dupuis was general in nature and did not specifically address details of this transaction.
- c) The husband explained that he learned about the non-satisfaction of the old mortgage several months after the closing. He stated that, approximately six months after the closing, their original mortgage provider contacted them regarding setting up an electronic transfer of their mortgage. The husband said that he contacted his new mortgage provider and confirmed that the new mortgage provider held the residential mortgage. He did not realize at this point that the old mortgage remained open. He said that, several months later, his wife and he again received information from the old mortgage provider about an automatic electronic payment option. The husband said that he then learned that the old mortgage had not been satisfied and someone was making monthly payments on the mortgage.
- 9) A review of documents related to this transaction show that the husband and wife had the old mortgage through Taylor, Bean & Whitaker Mortgage (TB&W Mortgage) and the new mortgage through Bank of America. The documents also show that Central Loan Administration & Reporting (CenLAR) later took over the loan from TB&W Mortgage. The documents include a Settlement Statement (HUD-1), signed by the husband and wife with a date of July 17, 2009. The HUD-1 summarized the transaction as the couple receiving the new mortgage in the amount of \$243,700.00 with a mortgage loan payoff of \$243,195.61 to the old mortgage. The HUD-1 confirms that the couple obtained the new mortgage to pay off the old mortgage. The documents show that, in July 2009, Fischer received the funds from Bank of America into a trust

account for his business, Valley Title, under an account at Associated Bank. The Bank of America and Associated Bank documents corroborate one another and show payment by Bank of America to Valley Title in the amount of \$248,101.15:

	Bank of America	Associated Bank
August 2009	\$ 248,101.15	\$ 248,101.15

Note: The documents from Bank of America confirm that the net fund amount totaled \$248,101.15 for the \$243,700.00 loan after adjusting for expenses associated with the loan.

The documents further show that Fischer made monthly payments on the old loan through his business' Valley Title account at Associated Bank. The CenLAR and Associated Bank documents corroborate one another and show that Fischer made at least six monthly payments on the old mortgage through his business' Associated Bank account:

	CenLAR	Associated Bank
August 2009	\$ 4,000.00	\$ 4,000.00
September 2009	4,000.00	4,000.00
October 2009	4,000.00	4,000.00
November 2009	4,012.00	4,012.00
December 2009	4,012.00	4,012.00
January 2010	3,012.00	3,012.00

Note: The documents from CenLAR confirm an August 2009 payment with \$1,589.80 and \$1,277.88 toward the principal and \$1,132.32 toward the interest for a total of \$4,000.00, a September 2009 payment with \$1,603.24 toward the principal, \$1,118.88 toward the interest, and \$1,277.88 listed as an "other" amount for a total of \$4,000.00, an October 2009 payment with \$1,610.76 and \$1,277.88 toward the principal and \$1,111.36 toward the interest for a total of \$4,000.00, a November 2009 payment with \$1,630.29 and \$1,277.88 toward the principal, \$1,091.83 toward the interest, and \$12.00 listed as an "other" amount for a total of \$4,012.00, a December 2009 payment with \$1,643.92 and \$1,277.88 toward the principal, \$1,078.20 toward the interest, and \$12.00 listed as an "other" amount for a total of \$4,012.00, and a January 2010 payment with \$1,657.62 and \$277.88 toward the principal, \$1,064.50 toward the interest, and \$12.00 listed as a "one time draft" fee for a total of \$3,012.00. The CenLAR and Associated Bank records show that the September 2009 payment was not processed until October 2009.

The documents show that Fischer continued making monthly payments on the old loan, but then started using his business' Valley Title account at AbbyBank. The CenLAR and AbbyBank documents corroborate one another and show that Fischer made at least seven monthly payments on the old mortgage through his business' AbbyBank account:

	CenLAR	AbbyBank
February 2010	\$ 3,000.00	\$ 3,000.00
March 2010	2,912.00	2,912.00
April 2010	2,734.12	2,734.12
May 2010	2,734.12	2,734.12
June 2010	2,734.12	2,734.12
July 2010	2,734.12	2,734.12
August 2010	2,734.12	2,734.12

Note: The documents from CenLAR confirm a February 2010 payment with \$1,666.69 and \$265.88 toward the principal, \$1,055.43 toward the interest, and \$12.00 as a "one time draft" fee for a total of \$3,000.00, a March 2010 payment with \$1,675.75 and \$177.88 toward the principal, \$1,046.37 toward the interest, and \$12.00 listed as a "one time draft" fee for a total of \$2,912.00, an April 2010 payment with \$1,684.44 toward the principal, \$1,037.68 toward the interest, and \$12.00 listed as a "one time draft" fee for a total of \$2,734.12, a May 2010 payment with \$1,692.33 toward the principal, \$1,029.79 toward the interest, and \$12.00 listed as a "one time draft" fee for a total of \$2,734.12, a June 2010 payment with \$1,700.27 toward the principal, \$1,021.85 toward the interest, and \$12.00 listed as a "one time draft" fee for a total of \$2,734.12, a July 2010 payment with \$1,708.24 toward the principal, \$1,013.88 toward the interest, and \$12.00 listed as a "one time draft" fee for a total of \$2,734.12, and an August 2010 payment with \$1,716.24 toward the principal, \$1,005.88 toward the interest, and \$12.00 listed as a "one time draft" fee for a total of \$2,734.12. The AbbyBank records show that only the March and July 2010 payments were processed in the same month as the payment with the other five payments processed in the early part of the following month.

Law enforcement executed a search warrant at Valley Title in March 2011. One of the items recovered during the execution of the search warrant was a folder labeled under the couple's name with a date notation of "1-20-09" containing documents, which was located near Fischer's desk at Valley Title. The documents related to this couple's mortgage. The documents included copies of checks from Fischer's business account at Associated Bank made payable to "Taylor, Bean & Whitaker" and signed by Fischer:

	Number	Amount
August 2009	16296	\$ 4,000.00
September 2009	16366	4,000.00
October 2009	16495	4,000.00
November 2009	16640	4,000.00

Note: The Associated Bank records do not show check number 16640 being processed in November or December 2009.

The materials recovered by law enforcement during the execution of the search warrant at Valley Title also uncovered a handwritten document with "Cenlar" written and circled on the document. The document also includes the following notations:

	Notations
November 2009	\$ 4,000.00
December 2009	4,012.00
January 2010	3,012.00
February 2010	3,000.00
March 2010	2,912.00
April 2010	2,734.12
May 2010	2,734.12
June 2010	2,734.12
July 2010	2,734.12
August 2010	2,734.12

Note: The CenLAR records contain a letter, dated November 20, 2009, stated that CenLAR received the customer's "verbal authorization to initiate a telephone electronic transfer of funds . . . along with a service fee" and then shows the amount withdrawn as \$4,012.00. The handwritten notation for November 2009 likely correctly reflects the amount directed toward the principal and interest payment, but neglected to include the \$12.00 service fee.

The documents confirm that Fischer never satisfied the old loan. Documents provided from Old Republic show that Old Republic later satisfied the mortgage and, thereby, suffered a significant loss.

Sixth Street (August 2009)

- 10) In 2009, a property owner decided to refinance the mortgage for his residence, which was located on Sixth Street in Wood County, Wisconsin. As part of the refinancing process, Fischer served as the closing agent through his business of Valley Title. The closing occurred on or about August 14, 2009. The following summarizes the transaction:
 - a) The property owner stated that he refinanced his residence through Members Advantage Credit Union (Members Advantage), which utilized the services of Scott Vandehey (Vandehey). The property owner said that Vandehey obtained the new loan for him and arranged the closing. He stated that Vandehey selected Valley Title

as the title company. Vandehey confirmed that he selected Valley Title because he had used the business in the past and Valley Title agreed to travel to Members Advantage for the closing without any additional cost.

- b) The property owner explained that the closing on the mortgage refinance occurred at Members Advantage, located in Wood County, Wisconsin. The property owners stated that Vandehey was present and introduced Fischer to him, but Vandehey did not remain in the room during the actual closing process. The property owner recalled signing a number of documents during the closing, including a Settlement Statement (HUD-1). Vandehey confirmed that he was present at Members Advantage during the closing, but not present during the signing of the documents.
 - c) The property owner stated that he first learned of a problem related to the closing when he received a delinquent notice from his old mortgage in mid-October 2009. The property owner contacted Vandehey and the two of them contacted the old mortgage. The property owner then learned that the old mortgage remained open and still active with monthly payments being made on the old mortgage. The property owner explained that he has experienced a significant hardship through Fischer failing to satisfy the new mortgage because he now has two mortgages on the same property. The property owner retained the services of an attorney who confirmed that the property owner now has a foreclosure action pending based upon the property owner being unable to pay two mortgages.
- 11) A review of documents related to this transaction show that the property owner had the old mortgage through PHH Mortgage and the new mortgage through QR Lending. PHH Mortgage actually received funding for the mortgage through First United Bank with QR Lending intending to sell the loan to Freddie Mac, which is a government sponsored entity which buys loans from banks and credit unions in order to assist the residential lending market. The documents include a Settlement Statement (HUD-1), signed by the property owner and Fischer with a date of August 14, 2009. The HUD-1 summarized the transaction as the property owner receiving the new mortgage in the amount of \$57,400.00 with a mortgage loan payoff of \$54,198.41 to the

old mortgage. The HUD-1 confirms that the property owner obtained the new mortgage to pay off the old mortgage. The documents show that, in August 2009, Fischer received the funds from First United Bank into a trust account for his business, Valley Title, under an account at Associated Bank. The First United Bank and Associated Bank documents corroborate one another and show payment by First United Bank to Valley Title in the amount of \$56,941.02:

	First United Bank	Associated Bank
August 2009	\$ 56,941.02	\$ 56,941.02

Note: The documents from First United Bank confirm that the net fund amount totaled \$56,941.02 for the \$57,400.00 loan after the loan adjustment.

The documents show that Fischer made monthly payments on the PHH Mortgage loan through his business' Valley Title account at Associated Bank. The PHH Mortgage and Associated Bank documents corroborate one another and show that Fischer made at least five monthly payments on the PHH Mortgage loan through his business' Associated Bank account:

	PHH Mortgage	Associated Bank
September 2009	\$ 654.07	\$ 654.07
October 2009	654.07	654.07
November 2009	654.07	654.07
December 2009	659.07	659.07
January 2010	659.07	659.07

Note: The documents from PHH Mortgage confirm the payments of \$646.57 with an additional \$7.50 service fee for the months of September through November 2009 for a total payment of \$654.07 for each of those months as well as the payments of \$646.57 with an additional \$12.50 service fee for the months of December 2009 and January 2010 for a total payment of \$659.07 for each of those two months.

Law enforcement executed a search warrant at Valley Title in March 2011. One of the items recovered during the execution of the search warrant was a document located near Fischer's desk at Valley Title. The document related to this property owner's loan at PHH Mortgage. The document contains the name of the property owner. The document has several transactions recorded under the abbreviation of the first letter of the property owner's last name as well as months written out followed by amounts, which reflect the following:

	Notations
September 2009	\$ 654.07
October 2009	654.07
November 2009	654.07
December 2009	659.07
January 2010	659.07

The documents from PHH Mortgage and AbbyBank show that Fischer continued making monthly payments on the old mortgage, but he started using his business' Valley Title account at AbbyBank. The PHH Mortgage and AbbyBank documents corroborate one another and show that Fischer made at least eight monthly payments on the PHH Mortgage loan through his business' AbbyBank account:

	PHH Mortgage	AbbyBank
February 2010	\$ 661.57	\$ 661.57
March 2010	659.07	659.07
April 2010	588.44	588.44
May 2010	588.44	588.44
June 2010	588.44	588.44
July 2010	588.44	588.44
August 2010	588.44	588.44
September 2010	588.44	588.44

Note: The documents from PHH Mortgage confirm the February 2010 payment of \$646.57 with an additional \$15.00 service fee for a total payment of \$661.57, the March 2010 payment of \$646.57 with an additional \$12.50 service fee for a total payment of \$659.07, and the payments from April through September 2010 in the amount of \$575.94 with an additional \$12.50 service fee for a total payment of 588.44 for each of those months.

The documents confirm that Fischer never satisfied the old PHH Mortgage loan. The property owner suffered a significant loss as a result of Fischer's failure to satisfy the loan.

Second Street (August 2009)

- 12) In 2009, a property owner decided to refinance the mortgage for her residence, which was located on Second Street in Vilas County, Wisconsin. As part of the refinancing process, Fischer served as the closing agent through his business of Valley Title. The closing occurred on or about August 21, 2009. The property owner provided the following summary of the transaction:
- a) The property owner stated that she decided to refinance her mortgage so she received assistance from Marion Rozwenc who then directed her to Dupuis from Home in One. The property owner did not recall many of the specifics regarding the refinancing process. Rozwenc confirmed working with this property owner on the refinancing primarily by directing her to Home in One. Rozwenc received a commission on closed loans. A review of records, confirm that Home in One served as the broker for the transaction.
 - b) The property owner stated that she did not speak with Fischer directly as part of the closing process and she does not recall going to Valley Title. The records of the transaction demonstrate that this closing involved a process similar to the Hillcrest Drive transaction. Dupuis explained in an interview that Home in One was a business he operated with Fischer. Dupuis also stated that Fischer operated Valley Title. The records show Valley Title served as the closing agent and provider of title insurance. Fischer then signed the closing documents as the closing agent. Rozewnc confirmed his familiarity with the relationship between Home in One and Valley Title, stating that he was introduced to Fischer on a couple of occasions and knew Fischer owned Valley Title. Rozewnc further stated he knew that the businesses were next door to one another in Wausau, which is in Marathon County, Wisconsin.
 - c) The property owner had not learned about Fischer not satisfying the mortgage. Similarly, Rozewnc had not learned about Fischer failing to pay off the mortgage. S/I Jones confirmed with Old Republic suffered the loss by satisfying the old mortgage.
- 13) A review of documents related to this transaction show that the property owner had the old mortgage through Oregon Community Bank & Trust

(Oregon Bank) and the new mortgage also through Bank of America. The documents also include a Settlement Statement (HUD-1), signed by the property owner and Fischer with a date of August 21, 2009. The HUD-1 summarized the transaction as the property owner receiving the new mortgage in the amount of \$86,000.00 with a mortgage loan payoff of \$82,573.52 to the old mortgage. The HUD-1 confirms that the property owner obtained the new mortgage to pay off the old mortgage. The documents show that, in August 2009, Fischer received the funds from Bank of America into a trust account for his business, Valley Title, under an account at Associated Bank. The Bank of America and Associated Bank documents corroborate one another and show payment by Bank of America to Valley Title in the amount of \$86,804.04:

	Bank of America	Associated Bank
August 2009	\$ 86,804.04	\$ 86,804.04

Note: The documents from Bank of America confirm that the net fund amount totaled \$86,804.04 for the \$86,000.00 loan after adjusting for expenses associated with the loan.

The documents further show that Fischer made monthly payments on the Oregon Bank loan through his business' Valley Title account at Associated Bank. The Oregon Bank and Associated Bank documents corroborate one another and show that Fischer made at least two monthly payments on the Oregon Bank mortgage through his business' Associated Bank account:

	Oregon Bank	Associated Bank
September 2009	\$ 1,500.00	\$ 1,500.00
November 2009	970.00	970.00

Note: The documents from Oregon Bank confirm the receipt of a payment in September 2009 with \$1,157.94 toward the principal and \$342.06 toward the interest for a total of \$1,500.00. The Oregon Bank records show that the September 2009 payment occurred in the later part of the month and the Associated Bank records show that the actual withdrawal from the account occurred on October 1, 2009, but the withdrawal corresponded with the September 2009 payment. The Associated Bank documents show a payment of \$970.00 in November 2009. The Oregon Bank records show a payment with \$300.21 toward the principal and \$669.79 toward the interest for a total of \$970.00 for the November 2009 payment.

Law enforcement executed a search warrant at Valley Title in March 2011. One of the items recovered during the execution of the search warrant were documents located near Fischer's desk at Valley Title. The document related to this property owner's mortgage at Oregon Bank along with his monthly payments through the Associated Bank account.

The documents included copies of checks from Fischer's business account at Valley Title made payable to "Oregon Community Bank" and signed by Fischer:

	Number	Amount
September 2009	16446	\$ 1,500.00
November 2009	16648	970.00

The documents show that Fischer continued making monthly payments on the Oregon Bank loan, but then started using his business' Valley Title account at AbbyBank. The Oregon Bank and AbbyBank documents corroborate one another and show that Fischer made at least nine monthly payments on the Oregon Bank mortgage through his business' AbbyBank account:

	Oregon Bank	AbbyBank
December 2009	\$ 900.00	\$ 900.00
January 2010	900.00	900.00
February 2010	900.00	900.00
March 2010	900.00	900.00
April 2010	900.00	900.00
May 2010	700.00	700.00
June 2010	700.00	700.00
July 2010	800.00	800.00
August 2010	700.00	700.00

Note: The documents from Oregon Bank confirm a December 2009 payment with \$566.04 toward the principal and \$333.96 toward the interest for a total of \$900.00, a January 2010 payment with \$568.40 toward the principal and \$331.60 toward the interest for a total of \$900.00, a February 2010 payment with \$570.76 toward the principal and \$329.24 toward the interest for a total of \$900.00, a March 2010 payment with \$573.14 toward the principal and \$326.86 toward the interest for a total of \$900.00, an April 2010 payment with \$575.53 toward the principal and \$324.47 toward the interest for a total of \$900.00, a May 2010 payment with \$377.93 toward the principal and \$322.07 toward the interest for a total of \$700.00, a June 2010 payment with \$379.50 toward the principal with \$320.50 toward the interest for a total of \$700.00, a July 2010 payment with \$481.08 toward the principal with \$318.92 toward the interest for a total of \$800.00, and an August 2010 payment with \$383.09 toward the principal with \$316.91 toward the interest for a total of \$700.00. The AbbyBank records show that the January, April, May, and June 2010 payment withdrawals occurred in the early part of the following month, but the withdrawals corresponded with the Oregon Bank payments. The AbbyBank records show that the remaining five payment withdrawals occurred in the same month as the Oregon Bank payments.

The materials recovered by law enforcement during the execution of the search warrant at Valley Title also uncovered AbbyBank documents related to the property owner's mortgage at Oregon Bank. The documents included copies of checks from Fischer's business account at Valley Title, as well as "Oregon State Bank" as well as "Oregon

confirmed that she secured the new mortgage for this property owner.

- b) Watters explained that she served as the intermediary between the property owner and Fischer for the closing. Watters stated that she obtained the signed closing documents from the property owner and then forwarded them to Fischer. Watters explained that Fischer then signed the documents after the property owner already had signed them, including the Settlement Statement (HUD-1). The property owner confirmed that Watters handled most of the closing activities and he signed the material provided by Watters. The property owner stated that he did not sign the material in the presence of Fischer and he did not know Fischer. Watters confirmed that the closing occurred through Fischer's business at Valley Title. This business is located in Marathon County, Wisconsin.
 - c) The property owner said that, shortly after completing the refinancing of the mortgage, he received two different loan payment statements with different loan numbers and in different amounts. The property owner also said that he received late payment statements on the old mortgage. The property owner said that he contacted Watters to look into the situation. Watters confirmed that she contacted the mortgage provider to inquire about the problem.
- 15) A review of documents related to this transaction show that the property owner had the old mortgage through JPMorgan Chase Bank (Chase Bank) and the new mortgage through Rescue Mortgage Inc. (Rescue Mortgage), which received the funds through Horizon Bank. The documents also include a Settlement Statement (HUD-1), signed by the property owner and Fischer with a date of February 16, 2010. The HUD-1 summarized the transaction as the property owner receiving the new mortgage in the amount of \$84,922.00 with a mortgage loan payoff of \$81,368.93 to the old mortgage. The HUD-1 confirms that the property owner obtained the new mortgage to pay off the old Chase Bank mortgage. The documents show that, in February 2010, Fischer received the funds from Horizon Bank into a trust account for his business, Valley Title, under an account at Associated Bank. The Horizon and Associated Bank documents corroborate one another and show payment by Horizon Bank to Valley Title in the amount of \$84,922.00:

	Horizon Bank	Associated Bank
February 2010	\$ 84,922.00	\$ 84,922.00

The documents further show that Fischer made monthly payments on the Chase Bank mortgage through a Valley Title account at AbbyBank. The Chase Bank and AbbyBank documents corroborate one another and show that Fischer made at least seven monthly payments on the Chase Bank mortgage through his business' AbbyBank account:

	Chase Bank	AbbyBank
February 2010	\$ 770.79	...
March 2010	...	\$ 770.79
April 2010	710.79	710.79
May 2010	710.79	710.79
June 2010	693.71	693.71
July 2010	693.71	693.71
August 2010	714.45	714.45
September 2010	693.71	693.71

Note: The documents from Chase Bank confirm the receipt of payments on February, April, May, June, July, August, and September 2010 in the amounts of \$755.79, \$695.79, \$695.79, \$678.71, \$678.71, \$699.45, and \$678.71 with each payment including a fastpay fee, thereby increasing each of these payments by \$15.00 through this fee. The Chase Bank records show that the February 2010 payment occurred in the later part of the month and the AbbyBank records show that the actual withdrawal from the account occurred on March 1, 2010.

Law enforcement executed a search warrant at Valley Title in March 2011. One of the items recovered during the execution of the search warrant was a document located near Fischer's desk at Valley Title. The document was from Chase Bank regarding this property owner's mortgage. The document contained handwritten notations regarding monthly payments made on this mortgage:

	Base Payment	Payment Fee	Total
February 2010	\$ 695.79 + 60.00	\$ 15.00	\$ 770.79
March 2010
April 2010	695.79	15.00	710.79
May 2010	695.79	15.00	710.79
June 2010	678.71	15.00	693.71
July 2010	678.71	15.00	693.71
August 2010	699.45	15.00	714.45
September 2010	678.71	15.00	693.71

Note: The document did not contain any amount for the payment in March 2010.

The documents confirm that Fischer never satisfied the old Chase Bank mortgage. Documents provided from Old Republic show that Old Republic later satisfied the mortgage and, thereby, suffered a significant loss.

Burlington Drive (February/March 2010)

16) In 2009, a husband and wife decided to refinance the mortgage for the couple's residence, which was located on Burlington Drive in Marathon County, Wisconsin. As part of the refinancing process, Fischer served as the closing agent through his business of Valley Title. The closing occurred in mid-March 2010 with the documents predated for February 22, 2010. The following summarizes the transaction:

- a) The couple stated that they met Fischer because Fischer and his wife attended the same church as they attended. They stated that Fischer worked with them through his mortgage business, Home in One, to obtain a new mortgage loan. They said that Fischer obtained a new mortgage for them, but Fischer insisted on putting only the husband's name on the new mortgage because Fischer stated that it would increase the likelihood of approval on the new mortgage. The couple said that Fischer obtained a new mortgage for them.
- b) The couple explained that the closing on the mortgage refinance occurred at Fischer's business, Valley Title. They stated that, at the closing in mid-March 2010, Fischer told them that he prepared all

the paperwork with the date of February 22, 2010, so he asked them to sign and then use the date of February 22, 2010. They said that Fischer told them to pay the March 2010 payment under the old mortgage and then start payments under the new mortgage beginning in April 2010. The couple stated that they complied with Fischer's request by signing and then dating the documents February 22, 2010. They said that Fischer then provided an unsigned copy of the material for them, saying that he did not want to keep them unnecessarily long as the closing occurred during the wife's lunch break from work.

- c) The couple stated that they later realized that the old mortgage payoff did not occur following the closing in March 2010. The couple said that they learned of the problem when they received a late payment notice from their old mortgage, dated August 17, 2010. They contacted a representative from their old mortgage by telephone and learned that the old mortgage never received satisfaction following the closing so they had two mortgages on the property. The couple contacted Fischer and spoke with him directly on August 23, 2010. During this conversation, they inquired about the old mortgage remaining open and not having been satisfied. The couple said that Fischer agreed to look into the situation and report back to them. They made additional telephone calls to Fischer after he did not immediately notify them about what had occurred. The husband met with Fischer at Valley Title on August 31, 2011. During this meeting Fischer provided the husband with a copy of a Settlement Statement (HUD-1), but Fischer did not provide a copy of the payoff check. The couple retained the services of an attorney who sent a letter, dated September 7, 2010, to Fischer by facsimile and email. The letter demanded payment by Fischer regarding the money that he received and retained from the new mortgage. Fischer then paid off the couple's old mortgage in September 2010.
- 17) A review of documents related to this transaction show that the couple had the old mortgage through PNCBank (PNC) and the new mortgage through Fifth Third Bank (Fifth Third). The documents also include a Settlement Statement (HUD-1), signed by the husband and Fischer with a date of February 22, 2010. The HUD-1 summarized the transaction as the husband receiving new mortgage in the amount of \$98,000 with a mortgage loan payoff of \$96,542.59 to the old mortgage. The HUD-1

confirms that the husband obtained the new mortgage through Fifth Third to pay off the PNC mortgage. The documents show that, in February 2010, Fischer received the Fifth Third mortgage into a trust account at Associated Bank for his business, Valley Title. The Fifth Third and Associated Bank documents corroborate one another and show payment by Fifth Third to Valley Title in the amount of \$99,515.29:

	Fifth Third	Associated Bank
February 2010	\$ 99,515.29	\$ 99,515.29

Note: The documents from Fifth Third confirm that the net fund amount totaled \$99,515.29 for the \$98,000.00 loan after adjusting for expenses associated with the loan.

The documents further show that Fischer made monthly payments on the PNC mortgage through a Valley Title account at AbbyBank. The PNC and AbbyBank documents corroborate one another and show that Fischer made at least five monthly payments on the PNC mortgage through his business' AbbyBank account:

	PNC	AbbyBank
April 2010	\$ 1,122.83	\$ 1,122.83
May 2010	1,122.83	1,122.83
June 2010	1,129.09	1,129.09
July 2010	1,136.09	1,136.09
August 2010	1,124.09	1,124.09

The documents confirm that Fischer did not satisfy the PNC mortgage until September 2010 through a money order payment he obtained from AbbyBank on September 9th and processed by PNC on September 13th. The PNC and AbbyBank documents corroborate one another and show mortgage satisfaction in the amount of \$92,661.23 in September 2010:

	PNC	AbbyBank
September 2010	\$ 92,661.23	\$ 92,661.23

Note: The documents from PNC confirm the receipt of a money order in the amount of \$92,661.23, which resulted in \$92,591.23 to satisfy the mortgage along with a \$40.00 fax fee and a \$30.00 mortgage release fee for a total of 92,661.23. The documents from AbbyBank confirm the withdrawal of \$100,019.00 on September 9, 2010, with a money order payable to "PNC Mortgage" in the amount of \$92,661.23 along with a money order payable to the property owner in the amount of \$5,338.77 and a third money order in the amount \$2,013.00 along with three two dollar service fees equaling \$6.00 for the total of \$100,019.00. The combined money orders of \$92,661.23 to "PNC Mortgage" and \$5,338.77 to the property owner total \$98,000.00.

Twenty-Seventh Street (March 2010)

- 18) In 2010, a property owner decided to refinance the mortgage for his residence, which was located on Twenty-Seventh Street in Barron County, Wisconsin. As part of the refinancing process, Fischer served as the closing agent through his business of Valley Title. The closing occurred on March 23, 2010. The following summarizes the transaction:
- a) The property owner stated that he decided to refinance at the suggestion of Casey Watters (Watters) of Jenkins Realty. He had purchased the residence with the assistance of Watters in 2009. Watters encouraged the property owner to refinance because of the lower interest rates available. Watters explained that she works with Charissa Myers (Myers) as both a realtor through Jenkins Realty and as a mortgage company through Home in One. Watters explained that Myers knew Fischer from past business activity so they agreed to work with Fischer, which resulted in her involvement with Home in One. Watters stated that she secured the new mortgage for this property owner.
 - b) Watters explained that she served as the intermediary between the property owner and Fischer for the closing. Watters stated that she obtained the signed closing documents from the property owner and then forwarded them to Fischer. Watters explained that Fischer then signed the documents after the property owner already had signed them, including the Settlement Statement (HUD-1). The property owner confirmed that Watters handled most of the closing activities and he signed the material provided by Watters. The property owner stated that he did not sign the material in the presence of Fischer and he did not know Fischer. Watters confirmed that the closing occurred through Fischer's business at Valley Title. This business is located in Marathon County, Wisconsin.
 - c) The property owner stated that he had not realized Fischer never satisfied the old mortgage, but he did continue to receive a monthly bill related to his old mortgage for approximately eight months after the closing. Both the property owner and Watters confirmed that Fischer was supposed to pay off the old mortgage.

19) A review of documents related to this transaction show that this property owner had the old mortgage through JPMorgan Chase Bank (Chase Bank) and the new mortgage through Rescue Mortgage Inc. (Rescue Mortgage), which received the funds through Horizon Bank with Chase Bank as the end investor on the mortgage. The documents also include a Settlement Statement (HUD-1), signed by the property owner and Fischer with a date of March 23, 2010. The HUD-1 summarized the transaction as the property owner receiving the new mortgage in the amount of \$82,611.00 with a mortgage loan payoff of \$78,489.54 to the old mortgage. The HUD-1 confirms that the property owner obtained the new mortgage to pay off the old Chase Bank mortgage. The documents show that, in March 2010, Fischer received the funds from Horizon Bank into a trust account for his business, Valley Title, under an account at Associated Bank. The Horizon and Associated Bank documents corroborate one another and show payment by Horizon Bank to Valley Title in the amount of \$82,611.00:

	Horizon Bank	Associated Bank
March 2010	\$ 82,611.00	\$ 82,611.00

The documents further show that Fischer made monthly payments on the Chase Bank mortgage through a Valley Title account at AbbyBank. The Chase Bank and AbbyBank documents corroborate one another and show that Fischer made at least six monthly payments on the Chase Bank mortgage through his business' AbbyBank account:

	Chase Bank	AbbyBank
April 2010	\$ 750.28	\$ 750.28
May 2010	669.30	669.30
June 2010	669.30	669.30
July 2010	732.18	732.18
August 2010	752.07	752.07
September 2010	732.18	732.18

Note: The documents from Chase Bank confirm the receipt of payments in April, July, August, and September 2010 on the mortgage in the amounts of \$735.28, \$717.18, \$737.07, and \$717.18 with each payment including a fastfee payment, thereby increasing each of these payments by \$15.00 through this fee. The documents further confirm the receipt of payments in May and June 2010 each in the amount of \$654.30 with each payment including a fastpay fee, thereby increasing each of these payments by \$15.00 through this fee.

Law enforcement executed a search warrant at Valley Title in March 2011. One of the items recovered during the execution of the search warrant was a document located near Fischer's desk at Valley Title. The document was from Chase Bank regarding the property owner's mortgage. The document contained handwritten notations regarding monthly payments made on this mortgage:

	Base Payment	Payment Fee	Total
April 2010	\$ 735.28	\$ 15.00	\$ 750.28
May 2010
June 2010	654.30	15.00	669.30
July 2010	717.18	15.00	732.18
August 2010	737.07	15.00	752.07
September 2010	717.18	15.00	732.18

Note: The document did not contain any amount for the payment in May 2010.

The documents confirm that Fischer never satisfied the old Chase Bank mortgage. Documents provided from Old Republic show that Old Republic later satisfied the mortgage and, thereby, suffered a significant loss.

Heritage Hills Drive (April 2010)

20) In 2010, a couple decided to refinance the mortgage for their residence, which was located on Heritage Hills Drive in Marathon County, Wisconsin. As part of the refinancing process, Fischer served as the closing agent through his business of Valley Title. The closing occurred on April 22, 2010. The following summarizes the transaction:

- a) The couple stated that they decided to refinance the mortgage at the residence following the sale of another house. In 2009, they had purchased the house when the couple owned another house at the same time. With the sale of the other residence, they decided to refinance. The couple had Aiman Abozeid of First Wisconsin Mortgage (later Inlanta Mortgage) assist them with the refinanced mortgage in 2010. Abozeid had previously provided his mortgage services when they purchased the residence in 2009.

- b) The couple explained that the closing on the mortgage refinance occurred at Fischer's business, Valley Title. They explained that Valley Title closed on the original 2009 purchase because the original seller of the residence selected Valley Title. Abozeid confirmed that he selected Valley Title for the refinance in 2010 based upon Fischer and Valley Title having already closed on the property in the previous year. The couple stated that Abozeid was not present for the closing and Fischer handled the closing on April 22, 2010. They said that Fischer did not provide them with a signed copy of the closing documents.
- c) The couple stated that they later discovered that the old mortgage payoff did not occur following the closing in April 2010. The couple said that they learned of the problem when they received a late payment notice from the old mortgage, dated August 30, 2010. They spoke with a representative from the old mortgage and reported the matter to the fraud department for the old mortgage after learning that the old mortgage remained open and active. The couple repeatedly contacted Fischer after discovering that he failed to pay off the old mortgage. Abozeid reported the matter to law enforcement with Officer Matthew VanLieshout investigating the matter on September 14, 2010. Officer VanLieshout spoke directly with Fischer who acknowledged the failure to satisfy the mortgage, but Fischer alleged that it was a "computer error."
- 21) A review of documents related to this transaction show that the couple had the old mortgage through Bank of America and the new mortgage through Wells Fargo Bank (Wells Fargo). They secured the Wells Fargo mortgage through the assistance of Abozeid of First Wisconsin Mortgage (later Inlanta Mortgage) with Abozeid utilizing his business account at Johnson Bank for the transaction. The documents include a Settlement Statement (HUD-1), which summarized the transaction as the couple receiving the new mortgage in the amount of \$119,200.00 with a mortgage loan payoff of \$117,802.15 to the old mortgage. The HUD-1 confirms that the couple obtained the new mortgage to pay off the old mortgage. The documents show that, in April 2010, Fischer received the funds from Johnson Bank into a trust account for his business, Valley Title, under an account at Associated Bank. The Johnson Bank and Associated Bank documents corroborate one another and show payment by Johnson Bank to Valley Title in the amount of \$119,200.00:

	Johnson Bank	Associated Bank
April 2010	\$ 119,200.00	\$ 119,200.00

The documents further show that Fischer made monthly payments on the Bank of America mortgage through a Valley Title account at AbbyBank. The Bank of America and AbbyBank documents generally corroborate one another and show that Fischer made at least three monthly payments on the Bank of America mortgage through his business' AbbyBank account:

	Bank of America	AbbyBank
June 2010	2,410.00	2,500.00
July 2010	2,500.00	2,500.00
September 2010	2,500.00	2,500.00

Note: The documents from Bank of America confirm the receipt of regular payment of \$1,647.08 with a miscellaneous posting of \$762.92 for a total of \$2,410.00 in June 2010, a regular payment of \$1,647.08 with a miscellaneous posting of \$852.92 for a total of \$2,500.00 in July 2010, and a regular payment of \$2,500.00 in September 2010.

The materials received by the couple from Bank of America included checks from Fischer's business account for Valley Title at AbbyBank, made payable to "BAC Home Loan Servicing" and signed by Fischer:

	Number	Amount
June 2010	13427	\$ 2,500.00
July 2010	13428	2,500.00
August 2010	13431	2,500.00

The documents confirm that Fischer did not satisfy the Bank of America mortgage until September 15, 2010 through a payment he made from his Associated Bank account to Bank of America. The Bank of America and Associated Bank documents corroborate one another and show mortgage satisfaction in the amount of \$114,027.98:

	Bank of America	Associated Bank
September 2010	\$ 114,027.98	\$ 114,027.98

Note: The documents from Bank of America show a payoff demand statement that includes a \$30.00 county recording fee. The documents further show receipt of the payoff in the amount of \$113,997.98, which equals the total amount of the funds available for payoff after payment of the recording fee.

Old Highway 51 (June/July 2010)

- 22) In the summer of 2010, a couple decided to refinance the mortgage for their residence, which was located on Old Highway 51 in Marathon, County. As part of the refinancing process, Fischer served as the closing agent through his business of Valley Title. The closing occurred in the summer of 2010. The husband provided the following summary of the transaction:
- a) The husband stated that the couple decided to refinance their mortgage through CitiMortgage. They had a preexisting mortgage through CitiMortgage and decided to refinance with CitiMortgage. They refinanced to obtain a lower interest rate on the mortgage.
 - b) The husband explained that they selected Fischer at Valley Title for the closing because their brother-in-law, Dupuis, worked with Fischer and Valley Title. The husband explained that Dupuis brought the paperwork to them and they signed the paperwork with Dupuis. The couple never met Fischer and never went to Valley Title. The couple noted that the closing documents contained two dates of June 15, 2010, and July 22, 2010. The husband could not recall which was the correct date. A document entitled "Funding Request Form" contained within the records from Old Republic listed the closing date as June 15, 2010, and the funding date as July 22, 2010.
 - c) The husband stated that they realized Fischer did not satisfy the original mortgage several months after the closing. Initially, the couple received late notices and contacted CitiMortgage. They believed that it simply was a matter of the paperwork from the new mortgage having not reached CitiMortgage. Through the contacts with CitiMortgage, the couple learned that someone had wired money for a payment on the old mortgage. The couple had not wired any payment and were confused regarding why someone made a payment on the old mortgage. Several months after the closing, the couple learned that Fischer failed to pay off the original mortgage.
- 23) A review of documents related to this transaction show that the couple had the old mortgage through CitiMortgage, Inc. (CitiMortgage) and the new mortgage also through CitiMortgage. The documents also include a

Settlement Statement (HUD-1), signed by the couple and Fischer. The HUD-1 summarized the transaction as the couple receiving the new mortgage in the amount of \$80,000.00 with a mortgage loan payoff of \$78,623.79 to the old mortgage. The HUD-1 confirms that the couple obtained the new mortgage to pay off the old mortgage. The documents show that, in July 2010, Fischer received the funds from CitiMortgage into a trust account for his business, Valley Title, under an account at Associated Bank. The CitiMortgage and Associated Bank documents corroborate one another and show payment by CitiMortgage to Valley Title in the amount of \$80,496.64:

	CitiMortgage	Associated Bank
July 2010	\$ 80,496.64	\$ 80,496.64

Note: The documents from CitiMortgage confirm that the net fund amount totaled \$80,496.64 for the \$80,000.00 loan after adjusting for expenses associated with the loan.

The documents further show that Fischer made monthly payments on the CitiMortgage loan through a Valley Title account at AbbyBank. The CitiMortgage and AbbyBank documents corroborate one another and show that Fischer made at least two monthly payments on the CitiMortgage mortgage through his business' AbbyBank account:

	CitiMortgage	AbbyBank
August 2010	\$ 2,265.00	\$ 2,265.00
September 2010	1,019.62	1,019.62

The documents confirm that Fischer never satisfied the old CitiMortgage loan. Documents provided from Old Republic show that Old Republic later satisfied the mortgage and, thereby, suffered a significant loss.

Jaynes Road (August 2010)

24) In 2010, a couple decided to refinance the mortgage for their residence, which was located on Jaynes Road in Marathon County, Wisconsin. As part of the refinancing process, Fischer served as the closing agent through his business of Valley Title. The closing occurred on August 26, 2010. The following summarizes the transaction:

- a) The couple stated that they decided to refinance their mortgage through Royal Credit Union based upon the availability of lower interest rates. The couple said that they had their old mortgage

mortgage. The documents show that Royal Credit Union issued check number 193778, payable to "Valley Title Inc" in the amount of \$120,000.00 and dated August 24, 2010. Fischer's trust account at Associated Bank for his business, Valley Title, confirm the deposit of the \$120,000.00 funds on September 1, 2010. The Royal Credit Union and Associated Bank documents corroborate one another and show:

	Royal Credit Union	Associated Bank
August/September 2010	\$ 120,000.00	\$ 120,000.00

The documents confirm that Fischer never satisfied the old Royal Credit Union loan. Fischer had signed the "Closing Instructions for Real Estate Loans" form provided by Royal Credit Union, which required payoff of the old mortgage. Unlike previous transactions, Fischer did not make any known payments on the old mortgage, but Fischer followed a similar pattern of failing to satisfy the old mortgage. Representatives from Royal Credit Union confirmed that the credit union suffered a significant loss through this transaction because the credit union absorbed the loss so that the property owners would not have two mortgages for their residence.

Woodland Ridge Road (August 2010)

26) In 2010, a couple (hereinafter "buyer") decided to purchase a residence located on Woodland Ridge Road in Marathon County, Wisconsin. The residence had belonged to another couple (hereinafter "seller"). The seller moved with Cross Country Relocation, Inc., originally handling the transaction before American International Relocation Services (AIREs) took over the transaction. The closing occurred in August 2010. The following summarizes the transaction:

- a) S/I Jones spoke with the buyer who explained that the couple purchased the residence through the assistance of real estate agent Sarah Paulson (Paulson). The parties agreed upon the purchase price of \$235,000.00 for the residence, as confirmed by the Settlement Statement (HUD-1). Paulson confirmed that she served as the agent for the buyer with the seller represented by real estate agent Frank Scinto (Scinto). S/I Jones confirmed with Scinto that he represented the seller in the transaction.

- b) S/I Jones explained the closing for the real estate sale occurred at Valley Title in August 2010. Scinto explained that AIREs selected Fischer at Valley Title as the closing agent. The HUD-1 shows that the buyer owed \$39,893.42 at the closing based upon the following:

Description	Due (-)	Paid (+)	Balance
Contract Sales Price	\$ - 235,000.00	...	\$ - 235,000.00
Settlement Charges	- 1,555.93	...	- 236,555.93
New Loan (Mortgage)	...	\$ 188,000.00	- 48,555.93
Earnest Money	...	2,000.00	- 46,555.93
County/City Taxes	...	6,662.51	- 39,893.42
Due at Closing:			\$ 39,893.42

The buyer explained that they brought the balance of \$39,893.42 to the closing. S/I Jones obtained documentation showing that the buyer provided this payment in the form of a \$32,884.04 check and a \$7,009.38 check, totaling \$39,893.42. Records from Fischer's accounts show that he deposited these check in September 2010:

	Deposit Amount
AbbyBank	\$ 7,009.38
Associated Bank	32,884.04
Total:	\$ 39,893.42

The seller utilized AIREs to complete the transaction. The seller's mortgage had a balance of \$249,209.94 at the time of closing, meaning that the balance on the old mortgage exceeded the purchase price. When including additional seller expenses required as part of the sale, the seller owed \$39,315.93 at the closing based upon the following:

Description	Due (-)	Paid (+)	Balance
Contract Sales Price	...	\$ 235,000.00	\$ 235,000.00
Settlement Charges	\$ - 18,443.48	...	216,556.52
Mortgage Payoff	- 249,209.94	...	- 32,653.42
County/City Taxes	- 6,662.51	...	- 39,315.93
Due at Closing:			\$ 39,315.93

AIReS provided the funds to Valley Title for the money due the seller in the amount of \$50,000.00, which exceeded the money due. Fischer's trust account at Associated Bank for his business, Valley Title, confirm the deposit \$50,000.00 on August 30, 2010. After adjusting for a referral fee received by AIReS from First Weber, AIReS was entitled to a return of the excess funds paid as follows:

Description	Due (-)	Paid (+)	Balance
Payment from AIReS	...	\$ 50,000.00	\$ 50,000.00
Referral Fee to AIReS	...	2,961.00	52,961.00
Due at Closing	\$ - 39,315.93	...	13,645.07
Due to AIReS:			\$ 13,645.07

Fischer's trust account at Associated Bank for his business, Valley Title, confirm the transfer of \$13,645.07 to AIReS on September 7, 2010. AIReS entrusted Fischer with \$50,000.00, which included \$39,315.93 due at closing, to complete the real estate transaction, including paying off the Wells Fargo mortgage.

- c) S/I Jones explained that the buyer had not learned about Fischer not satisfying the mortgage. Similarly, S/I Jones spoke with the seller who had not learned about Fischer failing to pay off the mortgage because AIReS handled the transaction. S/I Jones confirmed that Old Republic suffered the loss by satisfying the old mortgage.
- 27) Documents reviewed regarding this transaction include a Settlement Statement (HUD-1), signed by the buyer and Fischer with a date of August 30, 2010. The HUD-1 summarized the transaction as the buyer receiving the new mortgage in the amount of \$188,000.00 from AbbyBank with a payoff of the seller's mortgage in the amount of \$249,209.94 from Wells Fargo. The HUD-1 confirms that the buyer obtained the new mortgage to complete a real estate sale, including paying off the seller's old mortgage. The documents show that Fischer received the funds from AbbyBank into his business' trust account at AbbyBank. The AbbyBank records related to the buyer's mortgage and the AbbyBank documents from Valley Title corroborate one another and

show payment by AbbyBank to Valley Title in the amount of \$186,804.07:

	AbbyBank (Buyer)	AbbyBank (Valley Title)
August 2010	\$ 186,804.07	...
September 2010	...	\$ 186,804.07

Note: The documents from AbbyBank confirm that the net fund amount totaled \$186,804.07 for the \$188,000.00 loan after adjusting for expenses associated with the loan.

In addition to the \$186,804.07 funds provided by AbbyBank, Fischer also received \$39,893.42 from the buyer and \$39,315.93 from AIReS for a combined total of \$266,013.42. Despite receiving over a quarter of a million dollars, the documents confirm that Fischer never satisfied the Wells Fargo mortgage. Unlike many of the previous transactions, Fischer did not make any known payments on the old mortgage, but Fischer followed a similar pattern of failing to satisfy the old mortgage. Documents provided from Old Republic show that Old Republic later satisfied the mortgage and, thereby, suffered a significant loss.

Tax Investigation

- 28) S/A Kennedy reported that a corporation organized under the Wisconsin Statutes or licensed to do business in Wisconsin generally must file a corporate franchise or income tax return, regardless of whether or not business was transacted. S/A Kennedy confirmed with Kathleen Henry (Henry), the Custodian of Files at DOR, that Valley Title failed to file a corporate return for the years 2009 and 2010. S/A Kennedy noted that Valley Title had not filed a return since April 2006 for the 2005 year. S/A Kennedy stated that Valley Title had employees working for the business, including Delonay, where Valley Title provided a Wage and Tax Statement (W-2) for the employees, which demonstrates that Valley Title operated during the years of 2009 and 2010. Based upon the information contained previously in this complaint, Valley Title operated as a corporation during the years of 2009 and 2010. Valley Title had an obligation to file such returns by March of the following year; that is to say, March 2010 and March 2011. DFI records confirmed that Fischer was the registered agent and president of Valley Title. Moreover, Delonay explained that Fischer was the primary person operating Valley Title. DOR sent Fischer a letter in November 2011 requesting that he

file the missing returns, including the 2009 and 2010 corporate tax returns. S/A Kennedy's report, dated March 2012, show that Fischer still had not filed the corporate returns. DFI records confirmed that Fischer operated Valley Title in Marathon County, Wisconsin. Fischer, as an officer of Valley Title was required by law to file a return of the corporation's statement for the taxable years ending 2009 and 2010, and he willfully failed to file the returns at the time required by law.

- 29) S/A Kennedy reported that a person residing in Wisconsin who has a gross income at or above designated threshold amounts must file an income tax return. DOR designated that a married couple filing jointly must file a return when the gross income exceeded \$18,410 in 2009 and \$18,150 in 2010. S/A Kennedy noted that Fischer was married to Julie Fischer in 2009 and 2010. S/A Kennedy explained the Wisconsin Statutes broadly define gross income and includes "compensation from services" and "gross income derived from business." S/A Kennedy reported that she examined business and personal bank account information, which revealed that Fischer's gross income exceeded the threshold amounts for 2009 and 2010. During this time, Fischer transferred money from business accounts into personal accounts and used his business account to make payments on his personal mortgage and vehicle. S/A Kennedy stated that Fischer had an obligation to file an income tax return by April of the following year; that is to say, April 2010 and April 2011. S/A Kennedy confirmed with Henry that Fischer failed to file income tax returns for the years 2009 and 2010. S/A Kennedy noted that Fischer had not filed a return since October 2009 for the 2007 and 2008 years. DOR sent Jay and Julie Fischer letters in December 2011 asking them to file the delinquent tax returns. S/A Kennedy's report, dated March 2012, show that Fischer still had not filed his income tax returns. The investigation showed that Fischer resided in Marathon County, Wisconsin, during this time period. Fischer was a person required by law to file a return of his income for the taxable years ending 2009 and 2010, and he willfully failed to file the return at the time required by law.

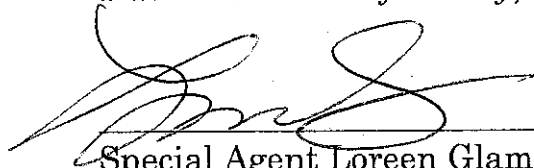
Conclusion

- 30) The above-identified statements from the witnesses and contained within the documents demonstrate that Fischer obtained the signatures of homeowners and other parties to the transaction by means of deceit; that is to say, Fischer obtained their signatures by making a false statement or giving a false impression that Fischer would pay off the old mortgages. The documents were writings by which legal rights or obligations were created or transferred, as demonstrated by the documents resulting in financial institutions transferring funds into Fischer's business bank account. Fischer acted with intent to defraud; that is to say, he intended to obtain money that he was not entitled to receive or retain. Fischer made multiple monthly payments on the old mortgages in many of the transactions to conceal his criminal activity.
- 31) Fischer had the possession of money belonging to the loan borrowers because of Fischer's employment. Fischer intentionally used or retained the money without their consent or contrary to Fischer's authority by not paying off the old mortgages at or immediately following the closing. Fischer knew that the use or retention of the money was without their consent and contrary to his authority as demonstrated by the HUD-1 statements confirming the intended payoff of the old mortgage. Fischer intended to convert the money to his own use as demonstrated by Fischer continuing to retain the money by not completing the payoff or not satisfying the old mortgages after the closings. Fischer's statement to Pollock further demonstrates that he used the money for his own use.
- 32) Fischer was the owner and registered agent of a corporation, Valley Title, and conducted or engaged in multiple acts of theft and fraudulent writings where any three such acts constituted a pattern of racketeering activity.
- 33) Fischer repeatedly failed to file necessary corporate and personal income tax filings during the period of his racketeering and related felonious activity.
- 34) The investigation revealed that Fischer committed at least one felony count of racketeering activity and continuing criminal enterprise, contrary to Wisconsin Statutes section 946.83(3), ten felony counts of theft by virtue of business or employment, contrary to section

943.20(3)(c), ten felony counts of fraudulent writing, contrary to section 943.39(2), two misdemeanor counts of failure to file a corporation tax return, contrary to section 71.83(2)(a)1., and two misdemeanor counts of failure to file an individual tax return, contrary to section 71.83(2)(a)1.



I, the complainant, believe that the information contained above is truthful and accurate. Insofar as there are any typographical or data entry errors within this complaint, it does not substantively impact the allegations contained within this complaint. I believe that there is probable cause to believe that Jay Fischer committed the criminal offenses identified in this complaint.

Dated this 9th day of July, 2012.



Special Agent Loreen Glaman
Division of Criminal Investigations
Wisconsin Department of Justice

Subscribed and sworn to before me and approved
for filing this 9th day of July, 2012.


RYAN C. WETZSTEON
Assistant District Attorney
WINN S. COLLINS
Assistant Attorney General and
Special Prosecutor for Marathon County
State Bar No. 1037828
Wisconsin Department of Justice
P.O. Box 7857
Madison, WI 53707-7857
(608) 266-3067