



## PRESS RELEASE

---

### **Attorney General Frosh and the CFPB Ask Federal Court to Find Gary Klopp in Contempt** *Klopp allegedly in Violation of Consent Judgment Reached in Mortgage Kickback Scheme*

**BALTIMORE, MD (June 8, 2017)** – Maryland Attorney General Brian E. Frosh announced today that his Consumer Protection Division and the federal Consumer Financial Protection Bureau asked the United States District Court to find Gary Klopp in contempt of an order entered in November 2015. In 2015, Klopp settled allegations that he engaged in a mortgage kickback scheme with a defunct Owings Mills title company, Genuine Title, LLC, by referring mortgage clients to Genuine Title in exchange for payments made to his companies. The 2015 settlement restricts Klopp's participation in the mortgage industry to serving as a personnel or human resources manager.

The Division and the CFPB allege that Klopp manages two branch offices of an Oklahoma Bank employing dozens of people who originate mortgages. According to the papers filed yesterday, Klopp is responsible for what happens in the offices, manages the mortgage loan offices, makes policy decisions, and has the authority to hire and fire personnel at his branches. He allegedly resolves problems that arise and makes policy determinations. His office allegedly accepts free lunches from title companies that the loan officers use. Klopp has personally benefited from his illegal activities, according to the filing.

"We cannot allow someone who engaged in an illegal kickback scheme to again disregard the law by violating a court order," said Attorney General Frosh. "Court orders must be respected and anyone who ignores the court must be held accountable."

The Division and the CFPB asked the federal court to find Klopp in contempt, to ban Klopp from the mortgage industry and to order him to disgorge the income he earned in defiance of the court order. The Attorney General thanks the CFPB for its assistance and cooperation in this investigation.