



## PRESS RELEASE

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### **Federal Court Imposes Sanctions Against Gary L. Klopp for Civil Contempt**

#### ***Klopp Ordered to Disgorge Over \$525,000, Barred from the Mortgage Industry for an Additional Two Years***

**BALTIMORE, MD (May 21, 2018)** – Maryland Attorney General Brian E. Frosh announced today that United States District Judge Richard Bennett, as a sanction for civil contempt, ordered Gary L. Klopp to pay more than \$525,000 and barred him from engaging in the mortgage industry for two years.

On November 16, 2015, the Court resolved allegations by the Consumer Financial Protection Bureau (CFPB) and the Consumer Protection Division of the Office of Attorney General that Klopp had engaged in an illegal kickback scheme with the title company Genuine Title. The [original charges](#) in the case alleged that Genuine Title illegally paid Klopp hundreds of thousands of dollars for referring mortgage clients to Genuine Title. The case was resolved in November 2015 with a Court order that prohibited Klopp from engaging in the mortgage business other than as a personnel or human-resources manager and required Klopp, among other matters, to disclose the order on the Nationwide Mortgage Licensing System, or the NMLS, a national database for licensing and recording the registration of mortgage companies and loan originators.

After a [hearing](#) in August 2017, the Court found Klopp violated its November 2015 order by managing, owning and controlling two branches of an Oklahoma bank that brokered mortgages, as well as by violating the order's reporting requirements. Following a subsequent hearing to determine sanctions, Judge Bennett this week ordered Klopp to pay the Consumer Protection Division and the CFPB \$526,796.36 that he received in illegal earnings, and to ensure that the sanctions order is posted on the NMLSR website. Judge Bennett also completely barred Klopp from the mortgage industry for two years.

“The federal court sanctions are designed to bring Mr. Klopp into compliance with the court’s order and protect consumers from further violations of the law,” said Attorney General Frosh. “My office will not allow someone to continue to break the law, illegally collect funds, and to disregard a court order.”

In making today’s announcement, Attorney General Frosh thanked the Consumer Financial Protection Bureau for its cooperation in bringing this action and contempt proceeding.