

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING, BUREAU OF  
COMPLIANCE, INVESTIGATION AND  
LICENSING

v.

RICHARD J. THOMAS

Docket No.: 08 0324 (ENF-ORD)

PA DEPT OF BANKING

2009 NOV 21 PM 1:39

FILED

ORDER OF PROHIBITION

Background

WHEREAS, the Department of Banking (the "Department") is the Commonwealth of Pennsylvania's administrative agency authorized and empowered to administer and enforce 7 Pa. C.S. § 6101 et seq.; and

WHEREAS, the Bureau of Compliance, Investigation and Licensing (the "Bureau") is primarily responsible for administering and enforcing the Mortgage Act for the Department; and

WHEREAS, the Mortgage Act is the successor statute to Chapter 3 of the Mortgage Bankers and Brokers and Consumer Equity Protection Act (the "MBBCEPA"), 63 P.S. § 456.301 et seq., and the Secondary Mortgage Loan Act (the "SMLA"), 7 P.S. § 6601 et seq. On November 5, 2008, Chapter 3 of the MBBCEPA and the SMLA were repealed by operation of law and replaced by the Mortgage Act; and

WHEREAS, Richard J. Thomas was president of Richard J. Thomas d/b/a/ RJT Financial Services which was operating as a first mortgage broker under the MBBCEPA, license no. 4533, and had a principal place of business located at 11611 Center Street, North Huntingdon, PA 15642; and

WHEREAS, RJT Financial Services' license was cancelled on July 1, 2006, and RJT Financial Services is no longer licensed by the Department; and

WHEREAS, Richard J. Thomas was vice president of Penntowne Mortgage Group, LLC until March 20, 2007, which was operating as a first mortgage broker under the MBBCEPA, license no. 15472, and as a second mortgage broker under the SMLA, license no. 15473 and had a principal place of business located at 12120 Route 30, North Huntingdon, PA 15642-1840; and

WHEREAS, Penntowne Mortgage Group, LLC's licenses were cancelled effective July 1, 2007, and Penntowne Mortgage Group, LLC is no longer licensed by the Department; and

WHEREAS, on July 17, 2008 the United States Attorneys' Office filed an Information against Richard J. Thomas (See Information attached as Exhibit A); and

WHEREAS, the Information included one count of Mail Fraud; and

WHEREAS, the count of Mail Fraud relates to the mortgage industry; and

WHEREAS, on August 6, 2008, Mr. Thomas waived indictment and consented to proceeding by the Information (See Waiver of Indictment attached as Exhibit B); and

WHEREAS, on August 6, 2008, Mr. Thomas pled guilty to count one of the Information (See Arraignment Plea attached as Exhibit C); and

WHEREAS, Section 6138(a)(4) of the Mortgage Act (corresponding to Section 310(a) of the MBBCEPA and Section 16(1) of the SMLA) grants the Department broad authority to issue orders as may be necessary for the enforcement of the Mortgage Act. 7 Pa. C.S. § 6138(a)(4) (corresponding to 63 P.S. § 456.310(a) and 7 P.S. § 6616(1)); and

AND NOW THEREFORE, based upon the foregoing recitals, the Bureau, under the authority cited above, hereby imposes the following order. Upon the effective date of this Order:

1. Pursuant to the Department's authority under Section 6138(a)(4) (corresponding to Section 310(a) of the MBBCEPA and Section 16(1) of the SMLA), Richard J. Thomas, as a natural person or as a corporation or as any other form of organization of any kind whatsoever, is hereby prohibited from working in the mortgage loan business as regulated by the Mortgage Act as a licensee, employee, independent contractor, agent, representative, or in any other capacity of any kind whatsoever, in any way whatsoever.

**IT IS SO ORDERED.**

Date: 11/21/2008

~~John Valalai~~, Administrator  
Department of Banking,  
Bureau of Compliance, Investigation and Licensing  
Market Square Plaza  
17 N. 2<sup>nd</sup> Street, Suite 1300  
Harrisburg, PA 17101

EXHIBIT A

1538

IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA )  
 )  
 v. )  
 )  
 RICHARD J. THOMAS )

Criminal No. 08-278  
(18 U.S.C. § 1341)

2008 JUL 17 AM 11:11  
CLERK  
U S DISTRICT COURT

INFORMATION

The United States Attorney charges:

Introduction

1. At all times material to this Information, Nation One Settlement Service, LLC ("Nation One") was a Pennsylvania limited liability company engaged in the business of providing settlement and closing services for real estate sales and acquisitions, and had an office at 12801 Route 30, Suite 9, North Huntingdon, Pennsylvania 15642.

2. At all times material to this Information, Penntowne Mortgage Group, LLC ("Penntowne") was a Pennsylvania limited liability company engaged in the business of providing mortgage brokerage services for real estate sales and acquisitions, and had an office at Norwin Towne Square, North Huntingdon, Pennsylvania 15642.

3. At all times material to this Information, the defendant, RICHARD J. THOMAS was employed by Penntowne as a mortgage broker, and resided at 11611 Center Street, North Huntingdon, Pennsylvania 15642.

---

The Scheme and Artifice

4. From in and around May 2002 to in and around February 2007, in the Western District of Pennsylvania and elsewhere, the defendant, RICHARD J. THOMAS, did devise, and intend to devise, a scheme and artifice to defraud and to obtain money and property, namely mortgage loan proceeds and down payment monies, by means of false and fraudulent pretenses, representations and promises.

5. It was a part of the scheme and artifice to defraud that the defendant, RICHARD J. THOMAS, acted as the mortgage broker in connection with the financing and re-financing on numerous residential properties, and, in connection therewith, caused loan proceeds to be directed to his own use, well knowing at the time that said proceeds were to be directed to pay off existing mortgage liens on the properties.

6. It was further a part of the scheme and artifice to defraud that the defendant, RICHARD J. THOMAS, deceived subsequent mortgage lenders for the properties into believing that the prior mortgage liens had been paid off out of the re-financing settlement funds by causing the settlement sheets for the loan closings to reflect said payoff when, in fact, the defendant intended to divert the loan proceeds to his own use, leaving two, and sometimes three, outstanding mortgages on the same property.

7. It was further a part of the scheme and artifice to defraud that the defendant, RICHARD J. THOMAS, facilitated the

above deception by causing payoff checks to be prepared, purporting to reflect to the subsequent lenders that a payoff of the prior lien had occurred or would occur, when, in fact, the defendant would later cause those checks to be voided and divert the loan proceeds to his own use.

8. It was further a part of the scheme and artifice to defraud that the defendant, RICHARD J. THOMAS, caused the false and fraudulent re-financing settlement documents to be sent to the subsequent lenders by means of the United States Mails and interstate carrier, causing them to believe falsely that the loan proceeds were used as directed in said documents.

9. It was further a part of the scheme and artifice to defraud that the defendant, RICHARD J. THOMAS, further facilitated the above deception by continuing to make payments on the prior mortgages, unbeknownst to the property owners, so that he could continue to divert the remaining loan proceeds to his own use.

10. It was further a part of the scheme and artifice to defraud that the defendant, RICHARD J. THOMAS, on occasion diverted to his own use down payment monies entrusted to him by the prospective purchasers of residential properties, in connection with his function as mortgage broker for the property sale transactions.

11. Between in and around May 2002 through in and around February 2007, in the Western District of Pennsylvania and

elsewhere, as part of the aforesaid scheme and artifice, the defendant, RICHARD J. THOMAS, obtained a total of \$961,704.00 in loan proceeds and down payment monies based upon the above-described false and fraudulent pretenses, representations and promises.

12. On or about March 7, 2006, in the Western District of Pennsylvania and elsewhere, the defendant, RICHARD J. THOMAS, for the purpose of executing the aforesaid scheme and artifice to defraud, and in attempting to do so, did knowingly cause to be delivered by interstate carrier according to the directions thereon the final HUD-1 Settlement Statement for the mortgage refinancing of 3315 Evergreen Drive, Murrysville, Pennsylvania 15668, which statement falsely and fraudulently reflected the payoff of the existing mortgage on said property, and which was sent from Nation One Settlement Services, LLC, 31 Robbins Station Road, North Huntingdon, Pennsylvania 15642, to Argent Mortgage Company, LLC, Its Successor and/or Assigns, P.O. Box 52710, Irvine, California 92619-2710.

In violation of Title 18, United States Code, Section 1341.



FORFEITURE ALLEGATIONS

13. The United States Attorney realleges and incorporates by reference the allegations contained in paragraphs 1 through 12 of this Information for the purpose of alleging criminal forfeitures pursuant to Title 28, United States Code, Section 2461(c), which incorporates Title 18, United States Code, Section 981(a)(1)(C) and Title 21, United States Code, Section 853(p).

14. As a result of the commission of the violation of Title 18, United States Code, Section 1341, charged in this Information, the defendant, RICHARD J. THOMAS, did acquire the following property (hereinafter the Subject Property) that constitutes, and is derived from, the proceeds obtained, directly and indirectly, from such violations, thereby subjecting the Subject Property to forfeiture to the United States of America pursuant to Title 28, United States Code, Section 2461(c), which incorporates Title 18, United States Code, Section 981(a)(1)(C) and Title 21, United States Code, Section 853(p):

(a) United States currency, cash equivalents, and bank account balances, constituting the gross proceeds of such violations.

15. If through any act or omission by the defendant, RICHARD J. THOMAS, any or all of the Subject Property

(a) Cannot be located upon the exercise of due diligence;

(b) Has been transferred, sold to, or deposited with a



1538

IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA )  
 )  
 v. )  
 )  
 RICHARD J. THOMAS )

Criminal No. 08-278

WAIVER OF INDICTMENT

I, Richard J. Thomas, the above-named defendant, having been accused of Mail Fraud, in violation of Title 18, United States Code, Section 1341, and being advised of the nature of the charge, the proposed Information and of my rights, in accordance with Rule 7(b) of the Federal Rules of Criminal Procedure, do hereby waive in open Court, prosecution by Indictment and consent that the proceeding may be by Information rather than by Indictment.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Defendant

\_\_\_\_\_  
Counsel for Defendant

Before \_\_\_\_\_  
United States District Court Judge

IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA )

v. )

RICHARD J. THOMAS )

Criminal No. )

08-278

ARRAIGNMENT PLEA

Defendant Richard J. Thomas

being arraigned, pleads \_\_\_\_\_

in open Court this \_\_\_\_\_ day of

\_\_\_\_\_, 2008.

\_\_\_\_\_  
(Defendant's Signature)

\_\_\_\_\_  
(Attorney for Defendant)

CRIMINAL CASE INFORMATION SHEET

08-278

Pittsburgh  Erie \_\_\_\_\_ Johnstown \_\_\_\_\_

Related to No. \_\_\_\_\_ Judge \_\_\_\_\_  
(All criminal prosecutions arising out of the same criminal transaction or series of transactions are deemed related).

- CATEGORY: 1. \_\_\_\_\_ Antitrust & Securities Fraud
- 2. \_\_\_\_\_ Tax
- 3.  General Criminal

Defendant's name: Richard J. Thomas

Is Indictment waived:  yes \_\_\_\_\_ no

Pretrial Diversion: \_\_\_\_\_ yes  no

Juvenile proceeding: \_\_\_\_\_ yes  no

Defendant is:  Male \_\_\_\_\_ Female

Superseding Indictment or Information: \_\_\_\_\_ yes  no

Previous case number: \_\_\_\_\_

If superseding, previous case was/will be:

- \_\_\_\_\_ Dismissed on defendant's motion
- \_\_\_\_\_ Dismissed on government's motion
- \_\_\_\_\_ After appellate action
- \_\_\_\_\_ Other (explain)

County in which first offense cited occurred: Allegheny

Previous proceedings before Magistrate Judge: \_\_\_\_\_

Case No.: \_\_\_\_\_

PLEASE INCORPORATE MAGISTRATE CASE WITH CRIMINAL CASE

Date arrested or date continuous U.S. custody began: \_\_\_\_\_

Defendant: \_\_\_\_\_ is in custody  is not in custody

Name of Institution: \_\_\_\_\_

Custody is on: \_\_\_\_\_ this charge \_\_\_\_\_ another charge  
\_\_\_\_\_ another conviction  
\_\_\_\_\_ State \_\_\_\_\_ Federal

2  
Detainer filed:

\_\_\_\_\_ yes      X no

Date detainer filed:

\_\_\_\_\_

Total defendants:

1

Total counts:

1

Data below applies to  
defendant No.:

1

Defendant's name:

Richard J. Thomas

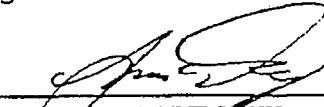
SUMMARY OF COUNTS

<u>COUNT NO.</u>	<u>U.S. CODE</u>	<u>OFFENSE</u>	<u>FELONY</u>	<u>MISDEMEANOR</u>
1	18 U.S.C. § 1341	Mail Fraud	X	

**FORFEITURE ALLEGATIONS**

I certify that to the best of my knowledge the above entries are true and correct.

DATE: 7/17/08

  
\_\_\_\_\_  
LUKE E. DEMBOSKY  
Assistant U.S. Attorney  
PA ID No. 75596

**EXHIBIT B**





**EXHIBIT C**



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING, BUREAU OF  
COMPLIANCE, INVESTIGATION AND  
LICENSING

v.

RICHARD J. THOMAS

Docket No.: 08 0324 (ENF-ORD)

FILED  
2008 NOV 21 PM 1:39  
PA DEPT OF BANKING

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing Order of Prohibition upon the parties below, who constitute the only parties of record in this proceeding, in accordance with the requirements of 1 Pa. Code § 33.31:

BY FIRST CLASS MAIL and CERTIFIED MAIL

Richard J. Thomas  
11611 Center Street  
North Huntingdon, PA 15642

Dated this 21<sup>st</sup> day of November, 2008.

Lauren A. Sassani  
Assistant Counsel  
Attorney I.D. # 203016  
Commonwealth of Pennsylvania  
Department of Banking  
17 North Second Street, Suite 1300  
Harrisburg, PA 17101  
(718) 787-1471