

FILED

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING

2008 DEC 22 PM 3:10

PA DEPT OF BANKING

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

Docket No.: 090236 (ENF-ORD)

v.

FRANCIS R. CONTI

PROHIBITION ORDER

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

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

BACKGROUND

WHEREAS, on February 12, 2008, the United States Attorneys' Office, Western District of Pennsylvania, filed an indictment against Francis R. Conti ("Conti") (See a copy of the Indictment attached as Appendix A ("App. ___")); and

WHEREAS, the Indictment alleges that Conti was the manager of Regal Financial Services, also known as Easy Mortgage (See App. A, ¶2); and

WHEREAS, Regal Financial Services was a mortgage broker with branch offices located in Pittsburgh and Erie, Pennsylvania (See App. A, ¶7); and

~~WHEREAS, A&M Homes, Inc. ("A&M Homes") was created to buy and sell real estate~~

(See App. A, ¶4); and

WHEREAS, RLD Enterprises of Erie, Inc. ("RLD Enterprises") was created to invest in real estate (See App. A, ¶5); and

WHEREAS, K&D Enterprises of Erie, Inc. ("K&D Enterprises") was created for "Broad" purposes (See App. A, ¶6); and

FELONIES

WHEREAS, from January 2003 through March 2006, Conti engaged in conspiracy, with others, to commit "mail fraud," "wire fraud," and "bank fraud" in violation of federal law (See App. A, ¶8); and

WHEREAS, as part of the conspiracy, individuals sought investors in A&M Homes, RLD Enterprises and K&D Enterprises (collectively "the Companies") to obtain monies to purchase distressed low cost properties in Erie Pennsylvania (See App. A, ¶9); and

WHEREAS, the Companies, and individuals acting on their own behalf and through the Companies, then purchased the distressed homes so they could sell them at artificially inflated prices (See App. A, ¶10); and

WHEREAS, the properties' sale prices were inflated by claiming improvements on the properties that were not actually made or that had been made in an incomplete or inferior manner (See App. A, ¶12); and

WHEREAS, Conti and other members of the conspiracy "targeted and actively sought individuals with limited sophistication and economic resources as buyers for the properties" (See App. A, ¶11); and

~~WHEREAS, Conti, with others, visited an organization dedicated to assisting low income individuals to further efforts to find and recruit home buyers (See App. A, ¶29); and~~

WHEREAS, prospective home buyers were directed to use Regal Financial Services to prepare their mortgage loan applications and other loan documents (See App. A, ¶13); and

WHEREAS, Conti placed money into the bank accounts of the prospective buyers to artificially inflate their account balances (See App. A, ¶14); and

WHEREAS, Conti prepared mortgage loan applications for buyers and submitted them (See App. A, ¶¶13, 20, 23); and

WHEREAS, Conti caused "fraudulent information" to be placed in the mortgage loan applications and HUD-1 settlement statements (See App. A, ¶16); and

WHEREAS, the "fraudulent information" in the mortgage loan applications and HUD-1 settlement statements included false information relating to income, assets, down payments, and the buyers' contract sales prices (See App. A, ¶16); and

WHEREAS, Conti submitted the fraudulent mortgage loan applications and other documents, via mail, interstate wire transmission and carrier, to various lenders for approval and funding of the residential mortgages (See App. A, ¶17); and

WHEREAS, as a result of his conduct, Conti, working with others, defrauded numerous consumers who suffered an aggregate loss of more than \$1,000,000 (See App. A, ¶18); and

WHEREAS, Conti, working with others, "devised and intended to devise a scheme and artifice to defraud and for obtaining money by means of false and fraudulent pretenses, representations and promises, well knowing at the time that the pretenses, representations and promises were false and fraudulent when made" (See App. A, ¶32); and

~~WHEREAS, the mail fraud, wire fraud, and bank fraud conspiracies relate to the mortgage industry; and~~

WHEREAS, mail fraud, wire fraud, and bank fraud conspiracy are felonies; and

WHEREAS, on March 13, 2009 Conti pled guilty to the allegations set forth in the Indictment (See a copy of the Plea attached as App. B); and

AUTHORITY

WHEREAS, the MLA applies, in relevant part, to “[a]ny person who engages in the mortgage loan business in this Commonwealth” (See 7 Pa. C.S. § 6151(2)); and

WHEREAS, the Department has broad authority to issue orders as may be necessary for the enforcement of the MLA (See 7 Pa. C.S. § 6138(a)(4)); and

WHEREAS, the Department has the authority to prohibit or permanently remove a person responsible for violating the MLA from “working in the present capacity or in any other capacity of the person . . . related to activities regulated by the department” (See 7 Pa. C.S. § 6138(a)(5)); and

WHEREAS, Section 6140 of the MLA provides that a person not licensed by the department that commits any violation of the MLA or commits any action that would subject a license to suspension, revocation or nonrenewal under Section 6139 may be fined (See 7 Pa. C.S. § 6140); and

WHEREAS, Section 6139(a)(3) prohibits a person from engaging in “dishonest, fraudulent or illegal practices or conduct in a business or unfair or unethical practices or conduct in connection with the mortgage loan business” (See 7 Pa. C.S. § 6139(a)(3)); and

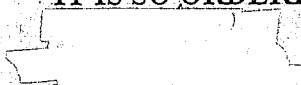
WHEREAS, Section 6139(a)(4) of the MLA prohibits a person who has pled guilty to a felony from engaging in the mortgage loan business (See 7 Pa. C.S. § 6139(a)(4)); and

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

Francis R. Conti, 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 Licensing 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: 12/22/09


Lucy Cortez, Enforcement Administrator
Department of Banking,
Bureau of Compliance, Investigation and Licensing
Market Square Plaza
17 N. 2nd Street, Suite 1300
Harrisburg, PA 17101

FILED

2009 DEC 22 PM 2:56

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING

PA DEPT OF BANKING

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

: Docket No.: 090236 (ENF-ORD)

v.

FRANCIS R. CONTI

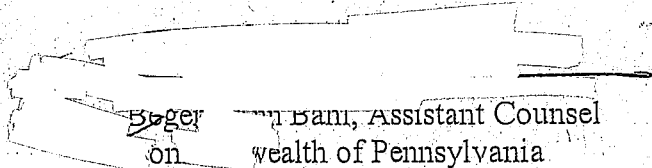
CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing **Prohibition Order** 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, 33.35 & 33.36:

**VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED
AND FIRST CLASS MAIL**

Francis R. Conti
175 Kayla Way
Waterford, PA 16441

Dated: December 22, 2009



Boger [redacted] Bam, Assistant Counsel
on [redacted] wealth of Pennsylvania
Department of Banking
17 North Second Street, Suite 1300
Harrisburg, PA 17101
(717) 787-1471