

b. “falsely inflated the sales prices of the properties by claiming that improvements had been made on the properties which were not, in fact, actually made or which had been performed in an incomplete and/or inferior manner” (See Indictment ¶ 12);

c. “directed prospective home buyers to Regal Financial Services for the preparation and submission of mortgage loan applications and other necessary loan documentation” (See Indictment ¶ 13);

d. “placed money into the bank accounts of the prospective home buyers in order to artificially and fraudulently inflate the prospective home buyers’ bank account balances” (See Indictment ¶ 14);

e. “provided private second and/or third mortgages to home buyers, which were not disclosed to the lending institutions providing the primary mortgages for the purchase of the properties” (See Indictment ¶ 15);

f. “caused false and fraudulent information regarding the borrowers’ income, assets, and down payments, as well as false and fraudulent contract sales prices for the properties to be purchased to be entered in borrowers’ loan documents, including loan applications and HUD-1 settlement statements”; (See Indictment ¶ 16);

g. “caused the false and fraudulent documents to be submitted, via the United States mail, and/or delivery by private or commercial interstate carrier, and/or interstate wire transmissions, to various commercial lenders for approval and funding of residential mortgage loans (See Indictment ¶ 17); and

WHEREAS, on August 25, 2008, Finney pled guilty to:

- a. Count 1 Conspiracy to commit mail fraud, wire fraud and bank fraud (felony);

- b. Count 2 Mail fraud (felony); and
- c. Count 17 Money laundering (felony) of the Indictment (See Criminal Case Information Sheet and Change of Plea attached as Exhibits B and C respectfully) ; and

WHEREAS, all three counts are felonies related to the mortgage industry; and

WHEREAS, Section 6138(a)(5) of the Mortgage Licensing Act grants the Department the authority to “[p]rohibit or permanently remove a person or licensee responsible for a violation of this chapter from working in the present capacity or in any other capacity of the person or licensee related to activities regulated by the department.” 7 Pa. C.S. § 6138(a)(5); 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:** Pursuant to the Department’s authority under Section 6138(a)(5) of the Mortgage Licensing Act, Gregory M. Finney, 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: September 9, 2009

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

EXHIBIT A

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

UNITED STATES OF AMERICA)

v.)

GREGORY M. FINNEY)
FRANCIS R. CONTI)
KEITH A. RICE)

Criminal No. 08-5 Erie

(18 U.S.C. §§371, 1341 and
1956(a)(1)(A)(i))

FILED

FEB 12 2008

CLERK OF DISTRICT COURT
WESTERN DISTRICT OF PENNSYLVANIA

I N D I C T M E N T

The grand jury charges:

I. Persons and Entities

At all times material to this Indictment:

1. The defendant, GREGORY M. FINNEY, a resident of Erie County, Pennsylvania, was the president of A&M Homes, Inc.
2. The defendant, FRANCIS R. CONTI, a resident of Erie County, Pennsylvania, was the manager of the Erie, Pennsylvania branch office of Regal Financial Services, also known as Easy Mortgage.
3. The defendant, KEITH A. RICE, a resident of Erie County, Pennsylvania, was an employee at the Erie, Pennsylvania branch office of Regal Financial Services, also known as Easy Mortgage.
4. A&M Homes, Inc. was a Pennsylvania corporation, incorporated on May 6, 2003, for the purpose of "Buying and Selling Real Estate".

5. RLD Enterprises of Erie, Inc. was a Pennsylvania corporation, incorporated on April 7, 2003, for "Investment in Real Estate."

6. K&D Enterprises of Erie, Inc. was a Pennsylvania corporation, incorporated on September 18, 2001, for "Broad" purposes.

7. Regal Financial Services, formerly known as Easy Mortgage, was a mortgage brokerage with both a Pittsburgh, Pennsylvania branch office and an Erie, Pennsylvania branch office.

II. The Conspiracy and Its Objects

8. From in or around January 2003, and continuing thereafter until in or around March 2006, in the Western District of Pennsylvania and elsewhere, the defendants, GREGORY M. FINNEY, FRANCIS R. CONTI, and KEITH A. RICE, and others both known and unknown to the grand jury, knowingly, willfully and unlawfully conspired and agreed together to commit the crimes of mail fraud, in violation of Title 18, United States Code, Section 1341, wire fraud, in violation of Title 18, United States Code, Section 1343, and bank fraud, in violation of Title 18, United States Code, Section 1344.

III. Manner and Means by Which the Conspiracy was Carried Out

9. It was a part of the conspiracy that individuals both known and unknown to the grand jury, sought and obtained investors in A&M Homes, RLD Enterprises, and K&D Enterprises for

the purpose of procuring funds for the purchase of distressed, low cost properties in Erie, Pennsylvania.

10. It was further a part of the conspiracy that the defendant, GREGORY M. FINNEY, and others both known and unknown to the grand jury, acting both personally and through A&M Homes, RLD Enterprises, and K&D Enterprises, purchased numerous distressed, low cost properties in Erie, Pennsylvania with the intent of selling these properties at drastically and artificially inflated prices.

11. It was further a part of the conspiracy that the defendants, GREGORY M. FINNEY, FRANCIS R. CONTI, and KEITH A. RICE, and others both known and unknown to the grand jury, targeted and actively sought individuals with limited sophistication and economic resources as buyers for the properties offered for sale by the defendant, GREGORY M. FINNEY, and others both known and unknown to the grand jury, through A&M Homes, RLD Enterprises, and K&D Enterprises.

12. It was further a part of the conspiracy that the defendant, GREGORY M. FINNEY, and others both known and unknown to the grand jury, falsely inflated the sale prices of the properties by claiming that improvements had been made on the properties which were not, in fact, actually made or which had been performed in an incomplete and/or inferior manner.

13. It was further a part of the conspiracy that the defendant, GREGORY M. FINNEY, and others both known and unknown to

the grand jury, directed prospective home buyers to Regal Financial Services for the preparation and submission of mortgage loan applications and other necessary loan documentation.

14. It was further a part of the conspiracy that the defendants, GREGORY M. FINNEY and KEITH A. RICE, and others both known and unknown to the grand jury, placed, and caused to be placed, money into the bank accounts of prospective home buyers in order to artificially and fraudulently inflate the prospective home buyers' bank account balances.

15. It was further a part of the conspiracy that the defendant, GREGORY M. FINNEY, and others both known and unknown to the grand jury, provided private second and/or third mortgages to home buyers, which were not disclosed to the lending institutions providing the primary mortgages for the purchases of the properties.

16. It was further a part of the conspiracy that the defendants, GREGORY M. FINNEY, FRANCIS R. CONTI, and KEITH A. RICE, and others both known and unknown to the grand jury, caused false and fraudulent information regarding the borrowers' income, assets, and down payments, as well as false and fraudulent contract sales prices for the properties to be purchased to be entered in borrowers' loan documents, including loan applications and HUD-1 settlement statements.

17. It was further a part of the conspiracy that the defendants, GREGORY M. FINNEY, FRANCIS R. CONTI, and KEITH A.

RICE, and others both known and unknown to the grand jury, caused the false and fraudulent documents to be submitted, via the United States mail, and/or delivery by private or commercial interstate carrier, and/or interstate wire transmissions, to various commercial lenders for approval and funding of residential mortgage loans.

18. As a result of the conspiracy to commit mail fraud, wire fraud, and bank fraud, the defendants, GREGORY M. FINNEY, FRANCIS R. CONTI, and KEITH A. RICE, and others both known and unknown to the grand jury, defrauded numerous victims who suffered an aggregate loss of more than \$1,000,000.

IV. Overt Acts

19. On or about October 30, 2003, the defendant, GREGORY M. FINNEY, met A.T. at American Sterilizer Federal Credit Union, a.k.a. Americo Federal Credit Union, 2545 West 23rd Street, Erie, Pennsylvania, and provided him/her approximately \$8,667.91 in cash to purchase a cashier's check so that A.T. would appear to have the funds needed to purchase and finalize the closing for the property at 844 East 21st Street, Erie, Pennsylvania, which A.T. purchased on or about October 30, 2003.

20. In and around November 2003, the defendant, FRANCIS R. CONTI, completed a mortgage loan application for T.Z. who was purchasing the property at 343 East 33rd Street, Erie, Pennsylvania. The defendant, FRANCIS R. CONTI, then submitted the loan application to Meritage Mortgage, in Lake Oswego, Oregon.

The defendant, FRANCIS R. CONTI, indicated within T.Z.'s loan application that T.Z. maintained a checking account balance of \$8,700, when the actual balance when the application was submitted was approximately \$120.66.

21. On or about November 18, 2003, the defendant, GREGORY M. FINNEY, met T.C. and L.C. at American Sterilizer Federal Credit Union, a.k.a. Americo Federal Credit Union, 2545 West 23rd Street, Erie, Pennsylvania, and provided them approximately \$8,300.59 in cash to purchase a cashier's check so that T.C. and L.C. would appear to have the funds needed to purchase and finalize the closing for the property at 623 West 21st Street, Erie, Pennsylvania, which T.C. and L.C. purchased on or about November 18, 2003.

22. On or about January 30, 2004, the defendant, GREGORY M. FINNEY, met C.A. at First National Bank of Pennsylvania, then located at the West Erie Plaza, 822 Plaza Boulevard, Erie, Pennsylvania, and provided him/her approximately \$6,800 in cash to purchase a cashier's check so that C.A. would appear to have the funds needed to purchase and finalize the closing for the property at 1550 West 25th Street, Erie, Pennsylvania, which C.A. purchased on or about January 30, 2004.

23. On or about January 30, 2004, the defendant, FRANCIS R. CONTI, completed a mortgage loan application for C.A. who was purchasing the property at 1550 West 25th Street, Erie, Pennsylvania. The defendant, FRANCIS R. CONTI, then submitted the

loan application to Principal Residential Mortgage, Inc. in Cincinnati, Ohio. Within the loan application, the defendant, FRANCIS R. CONTI, indicated that the down payment C.A. was providing was not borrowed when, in fact, the defendant, FRANCIS R. CONTI, knew that C.A. had borrowed the money for the down payment from the defendant, GREGORY M. FINNEY.

24. On or about February 10, 2004, the defendant, GREGORY M. FINNEY, met E.W. at PNC Bank, 901 State Street, Erie, Pennsylvania, and provided him/her approximately \$4,149.05 in cash to purchase a cashier's check so that E.W. would appear to have the funds needed to purchase and finalize the closing for the property at 618 East 9th Street, Erie, Pennsylvania, which E.W. purchased on or about February 10, 2004.

25. On or about February 27, 2004, the defendant, GREGORY M. FINNEY, met R.K. at Northwest Savings Bank, 121 West 26th Street, Erie, Pennsylvania, and provided him/her approximately \$6,970.60 in cash to purchase a cashier's check so that R.K. would appear to have the funds needed to purchase and finalize the closing for the property at 1350 West 11th Street, Erie, Pennsylvania, which R.K. purchased on or about February 27, 2004.

26. On or about April 30, 2004, the defendant, GREGORY M. FINNEY, met I.R. at First National Bank of Pennsylvania, 711 State Street, Erie, Pennsylvania, and provided him/her approximately \$4,255.57 in cash to purchase a cashier's check so that I.R. would appear to have the funds needed to purchase and

finalize the closing for the property at 934 West 11th Street, Erie, Pennsylvania, which I.R. purchased on or about April 30, 2004.

27. On or about April 30, 2004, the defendant, KEITH A. RICE, completed a mortgage loan application for I.R., who was purchasing the property at 934 West 11th Street, Erie, Pennsylvania. The application was then submitted to Wells Fargo Home Mortgage located in Minneapolis, Minnesota. The defendant KEITH A. RICE, indicated within I.R.'s loan application that I.R. maintained a checking account balance of \$9,200, when the actual balance when the application was submitted was approximately \$578.88.

28. In and around August 2004, the defendant, KEITH A. RICE, completed a mortgage loan application for R.B. and N.B., who were purchasing the property at 556 East 6th Street, Erie, Pennsylvania. The application was then submitted to First Horizon Home Loan Corporation located in Overland Park, Kansas. The defendant, KEITH A. RICE, indicated within R.B. and N.B.'s loan application that R.B. and N.B. maintained a checking account balance at the "Bank of Erie PA" (a financial institution which does not exist) of \$12,500, when the actual balance, at their actual financial institution, when the application was submitted was approximately \$18.17.

29. On or about September 27, 2004, the defendant, FRANCIS R. CONTI, accompanied by another unnamed co-conspirator,

visited the St. Martin Center, 1701 Parade Street, Erie, Pennsylvania, an organization dedicated to assisting low income individuals, in furtherance of the defendant, FRANCIS R. CONTI's, effort to find and recruit potential home buyers.

30. In and around October 2004, the defendant, KEITH A. RICE, completed a mortgage loan application for J.L., who was purchasing the property at 515 East 13th Street, Erie, Pennsylvania. The application was then submitted to Finance America, LLC, located in Irvine, California. The defendant, KEITH A. RICE, indicated within J.L.'s loan application that J.L. maintained a checking account balance of \$12,500, when the actual balance when the application was submitted was approximately \$15.74.

31. In and around November 2004, the defendant, KEITH A. RICE, completed a mortgage loan application for C.G., who was purchasing the property at 727 East 24th Street, Erie, Pennsylvania. On or about December 9, 2004, the application was submitted by the defendant, KEITH A. RICE, to Finance America, LLC located in Irvine, California. The defendant, KEITH A. RICE, indicated within C.G.'s loan application that C.G. maintained a checking account balance of \$6,200, when the actual balance when the application was submitted was approximately \$2.38.

All in violation of Title 18, United States Code, Section 371.

COUNTS TWO THROUGH SIXTEEN

The grand jury further charges:

32. From in and around January 2003, and continuing thereafter to in and around March 2006, in the Western District of Pennsylvania and elsewhere, the defendants, GREGORY M. FINNEY, FRANCIS R. CONTI, and KEITH A. RICE, 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.

33. It was a part of the scheme and artifice that the defendants, GREGORY M. FINNEY, FRANCIS R. CONTI, and KEITH A. RICE, engaged, in whole or in part, in the actions set forth in paragraphs one through thirty-one of this Indictment, which are realleged and incorporated herein as if fully set forth.

34. On or about the dates specified below, in the Western District of Pennsylvania and elsewhere, for the purpose of executing the aforesaid scheme and artifice to defraud described in paragraphs one through thirty-one of Count One of this Indictment, and for obtaining money and property by means of false and fraudulent pretenses, representations and promises and attempting to do so, the defendants, GREGORY M. FINNEY, FRANCIS R. CONTI, and KEITH A. RICE, caused to be deposited any matter and thing whatever, which are more particularly set forth below, to be sent and delivered by any private and commercial interstate

carrier, each such matter and thing being a separate count of this
 Indictment:

Count	Defendant(s)	Date (on or about)	Sender	Addressee	Mail matter
2	Finney	10/31/03	Resource Settlement Inc. 732 French Street Erie, PA 16501	Meritage Mortgage Corp. 6000 SW Meadows Road Suite 500 Lake Oswego, OR 97035	mortgage loan documents for 844 East 21 st Street, Erie, PA
3	Finney Conti Rice	11/12/03	Resource Settlement Inc. 732 French Street Erie, PA 16501	Meritage Mortgage Corp. 6000 SW Meadows Road Suite 500 Lake Oswego, OR 97035	mortgage loan documents for 343 East 33 rd Street, Erie, PA
4	Finney Conti	2/2/04	Resource Settlement Inc. 732 French Street Erie, PA 16501	Affiliated Computer Services Principal Residential Mortgage, Inc. 4153 120 Street Urbandale, IA 50323	mortgage loan documents for 1550 West 25 th Street, Erie, PA
5	Finney Conti Rice	2/11/04	Resource Settlement Inc. 732 French Street Erie, PA 16501	Meritage Mortgage Corp. 6000 SW Meadows Road Suite 500 Lake Oswego, OR 97035	mortgage loan documents for 618 East 9 th Street, Erie, PA
6	Finney	3/1/04	Resource Settlement Inc. 732 French Street Erie, PA 16501	Meritage Mortgage Corp. 6000 SW Meadows Road Suite 500 Lake Oswego, OR 97035	mortgage loan documents for 1350 West 11 th Street, Erie, PA
7	Finney Conti	4/6/04	Resource Settlement Inc. 732 French Street Erie, PA 16501	Meritage Mortgage Corp. 6000 SW Meadows Road Suite 500 Lake Oswego, OR 97035	mortgage loan documents for 740 East 24 th Street, Erie, PA
8	Conti	4/6/04	Resource Settlement Inc. 732 French Street Erie, PA 16501	Meritage Mortgage Corp. 6000 SW Meadows Road Suite 500 Lake Oswego, OR 97035	mortgage loan documents for 526 East 28 th Street, Erie, PA
9	Finney Conti Rice	5/3/04	Resource Settlement Inc. 732 French Street Erie, PA 16501	Wells Fargo Home Mortgage 2703 Wells Fargo Way Minneapolis, MN 55408	mortgage loan documents for 934 West 11 th Street, Erie, PA

Count	Defendant(s)	Date (on or about)	Sender	Addressee	Mail matter
10	Conti Rice	5/19/04	Resource Settlement Inc. 732 French Street Erie, PA 16501	Flagstar Bank, FSB 5151 Corporate Drive Troy, MI 48098	mortgage loan documents for 1140-42 West 11 th Street, Erie, PA
11	Conti	7/2/04	Resource Settlement Inc. 732 French Street Erie, PA 16501	First Horizon Home Loan Corp. 3 rd Floor 5901 College Boulevard Overland Park, KS 66211	mortgage loan documents for 755 East 7 th Street, Erie, PA
12	Conti	7/28/04	Resource Settlement Inc. 732 French Street Erie, PA 16501	Meritage Mortgage Corp. 6000 SW Meadows Road Suite 500 Lake Oswego, OR 97035	mortgage loan documents for 1814 Chestnut Street, Erie, PA
13	Rice	9/24/04	Resource Settlement Inc. 732 French Street Erie, PA 16501	First Horizon Home Loan Corp. 3 rd Floor 5901 College Boulevard Overland Park, KS 66211	mortgage loan documents for 556 East 6 th Street, Erie, PA
14	Rice	10/7/04	Resource Settlement Inc. 732 French Street Erie, PA 16501	Wells Fargo Home Mortgage 2703 Wells Fargo Way Minneapolis, MN 55408	mortgage loan documents for 1256 West 20 th Street, Erie, PA
15	Rice	10/13/04	Resource Settlement Inc. 732 French Street Erie, PA 16501	Finance America, LLC 16802 Ashton Street Irvine, CA 92606	mortgage loan documents for 515 East 13 th Street, Erie, PA
16	Rice	12/13/04	Resource Settlement Inc. 732 French Street Erie, PA 16501	Finance America, LLC Suite 400 1551 Sawgrass Corporate Parkway Sunrise, FL 33323	mortgage loan documents for 727 East 24 th Street, Erie, PA

All in violation of Title 18, United States Code, Section

1341.

COUNT SEVENTEEN

The grand jury further charges:

On or about March 8, 2004, in the Western District of Pennsylvania, the defendant, GREGORY M. FINNEY, did knowingly conduct and attempt to conduct a financial transaction affecting interstate commerce, to wit, he negotiated A&M Homes, Inc. check number 2927, for \$18,769.71, drawn on A&M Homes Inc.'s Northwest Savings Bank account, payable to Greg Finney, which involved the proceeds of a specified unlawful activity, that is mail fraud, wire fraud and bank fraud, with the intent to promote the carrying on of specified unlawful activity, to wit, to purchase a cashier's check for \$18,764.71 toward the subsequent purchase of property at 2631 Cochran Street, Erie, Pennsylvania in furtherance of the mail fraud, wire fraud, and bank fraud, and that while conducting and attempting to conduct such financial transaction, the defendant, GREGORY M. FINNEY, knew that the property involved in the financial transaction, that is funds, represented the proceeds of some form of unlawful activity.

In violation of Title 18, United States Code, Section 1956(a)(1)(A)(i).

A True Bill

FOREPERSON

MARY BETH BUCHANAN
United States Attorney
PA JD No. 50254

EXHIBIT B

CRIMINAL CASE INFORMATION SHEET

Pittsburgh _____ Erie X Johnstown _____

Related to No. 07-49 & 08-03 Erie Judge McLaughlin
(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. X General Criminal

Defendant's name: Gregory M. Finney

Is Indictment waived: _____ yes X no

Pretrial Diversion: _____ yes X no

Juvenile proceeding: _____ yes X no

Defendant is: X Male _____ Female

Superseding Indictment or Information: _____ yes X 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: Erie

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 X is not in custody

Name of Institution: _____

Custody is on: _____ this charge _____ another charge

_____ another conviction

_____ State _____ Federal

Detainer filed: _____ yes _____ no
 Date detainer filed: _____
 Total defendants: 3
 Total counts: 17
 Data below applies to
 defendant No.: 1
 Defendant's name: Gregory M. Finney

SUMMARY OF COUNTS

<u>COUNT NO.</u>	<u>U.S. CODE</u>	<u>OFFENSE</u>	<u>FELONY</u>	<u>MISDEMEANOR</u>
1	Conspiracy to commit mail fraud, wire fraud and bank fraud	18 U.S.C. §371	XX	
2-7 9	Mail fraud	18 U.S.C. §1341	XX	
17	Money laundering	18 U.S.C. §1956(a)(1)(A)(i)	XX	

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

DATE: February, 2008

For CHRISTIAN A. TRABOLD
 Assistant U.S. Attorney
 PA ID No. 75013

EXHIBIT C

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

UNITED STATES OF AMERICA)
)
VS.) CRIMINAL NO. 08-05-001 ERIE
GREGORY M. FINNEY)

CHANGE OF PLEA

AND NOW, the defendant,
GREGORY M. FINNEY,
in the above entitled case hereby,
withdraws the plea of NOT GUILTY,
entered February 19, 2008, and now pleads
GUILTY to Count(s) One (1), Two (2) &
Seventeen (17) in open Court this
25th day of August, 2008

GREGORY M. FINNEY, Defendant

~~David J. Brabender~~, Attorney for Defendant

Daniel

CERTIFIED FROM THE RECORD

Date FEB - 5 2009

ROBERT V. BARTH, JR., CLERK

Deputy Clerk

