

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING

FILED

2010 AUG 16 AM 11:08

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

v.

ANN MARIE TONKOVICH, individually

PA DEPT OF BANKING
Docket No.: 100180 (ENF. ORD)

PA DEPT OF BANKING
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NOTICE OF RIGHT TO APPEAL AND HEARING

You, Ann Marie Tonkovich, have the right to appeal the attached Order of Prohibition (the "Order") within 10 days of the date of service. See 1 Pa. Code § 35.20. The date of service is the date the Order is deposited in the mail or delivered to you in person, as the case may be, as set forth in 1 Pa. Code § 33.34. If you appeal the Order, you also have a right to a hearing.

To file an appeal and request a hearing on the Order, you must file a petition with the Secretary of Banking within 10 days of the date of service. The petition must be in writing, state clearly and concisely your grounds of interest in the subject matter, the facts you rely upon, the law you rely upon, and the relief you seek. See 1 Pa. Code § 35.17. Please deliver your petition to:

Linnea Freeberg, Docket Clerk,
Office of Executive Deputy Secretary
Pennsylvania Department of Banking
17 North Second Street, Suite 1300
Harrisburg, PA 17101

The petition must be received by the Docket Clerk within the aforementioned 10 day deadline. If the Docket Clerk does not receive your petition on time, you will waive your right to an appeal and a hearing and the Order will be deemed final.

If you choose to file a petition challenging the Order, please send an additional copy to:

Sarah E. Sedlak, Assistant Counsel
Pennsylvania Department of Banking
17 N. Second Street, Suite 1300
Harrisburg, PA 17101

Once you file your petition appealing the Order and requesting a hearing, you will be notified of the hearing date, time, place, the person who will preside at your hearing, and any other pertinent information.

You have the right to be represented by an attorney. Corporations may be required to be represented by an attorney.

The hearing and all other procedural matters will be governed by the Pennsylvania Administrative Agency Law, 2 Pa. C.S. §§ 501-508, 701-704, and the General Rules of Administrative Practice and Procedure, 1 Pa. Code §§ 31.1.-35.251.

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PA DEPT OF BANKING

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v.

ANN MARIE TONKOVICH, individually

ORDER OF PROHIBITION

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

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

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

WHEREAS, on November 5, 2008, the Mortgage Act replaced Chapter 3 of the MBBCEPA and the SMLA; and

WHEREAS, the Mortgage Licensing Act amended the Mortgage Act on August 5, 2009, See 7 Pa. C.S. §6101, et. seq., amended by Act 31 of 2009, H.B. 1654 (P.N. 2448); and

WHEREAS, on January 30, 2008 the United States Attorneys' Office, Western District of Pennsylvania, filed an indictment against Ann Marie Tonkovich ("Tonkovich"). (See Indictment attached as Exhibit A); and

WHEREAS, the Indictment alleged that "from in and around January 2005, and continuing thereafter until in and around October 2005, in the Western District of Pennsylvania and elsewhere," Tonkovich, "knowingly and willfully did conspire, combine, confederate and agree with other persons known to the Grand Jury, to commit the offense" of Wire Fraud (18 U.S.C. § 1343) (See Exhibit A, ¶2); and

WHEREAS, the Indictment alleged Tonkovich and other individuals:

(a) submitted mortgage applications containing material misrepresentations as to the borrower's financial conditions to mortgage lenders (See Exhibit A, ¶3); and

(b) submitted "false documents" to lenders in connection with mortgage applications including, but not limited to, "appraisals that inflated the true value of the properties, appraisals that represented that they were prepared by licensed appraisers when they were really prepared by unlicensed appraisers, false real estate contracts, and employment and income verification documents that misrepresented the borrowers' employment status and overstated the borrowers' income" (See Exhibit A, ¶4); and

(c) directed and caused payments associated with the loan transactions to be distributed in a manner contrary to the representations Tonkovich and the other individuals made to the lender regarding how the loan proceeds would be distributed (See Exhibit A ¶5); and

(d) obtained fraudulent appraisals, fraudulent because they overstated the true market value of the properties, from an individual known to the grand jury as KC, who was an unlicensed appraiser (See Exhibit A ¶6); and

(e) caused the submission through interstate wires of fraudulent loan applications and other fraudulent documents (See Exhibit A ¶8); and

(f) caused wire transfers from the accounts of the lending institutions, located outside the Commonwealth of Pennsylvania, to the accounts of the closing agents located in the Commonwealth of Pennsylvania, (See Exhibit A ¶9); and

WHEREAS, on May 26, 2009, Tonkovich pleaded guilty to the felony of Wire Fraud and to one count of tax evasion under another indictment (See copy of plea attached as Exhibit B); and

WHEREAS, Tonkovich's actions in the commission of Wire Fraud relate to the mortgage industry; and

WHEREAS, the Department has the authority to "prohibit 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

WHEREAS, Section 6138(a)(4) of the Mortgage Licensing 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 Licensing Act, 7 Pa. C.S. § 6138(a)(4) (corresponding to 63 P.S. § 456.310(a) and 7 P.S. § 6616(1));

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:

Ann Marie Tonkovich, 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: 8 / 13 / 2010

Brian Crossland, Compliance Division Chief
Department of Banking
Bureau of Compliance, Investigation and Licensing
Market Square Plaza
17 N. 2nd 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) Criminal No. 08-54
)
 v.) (18 U.S.C. § 1349)
)
 ANN TONKOVICH)

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CLERK
U.S. DISTRICT COURT

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INDICTMENT

The Grand Jury charges:

INTRODUCTION

1. At all material times to the indictment, the defendant, ANN TONKOVICH, was involved in various mortgage businesses, including but not limited to T&T Financial, that assisted individuals in obtaining financing to purchase real estate.

COUNT ONE

THE CONSPIRACY AND ITS OBJECTS

2. From in and around January 2005, and continuing thereafter until in and around October 2005, in the Western District of Pennsylvania and elsewhere, the defendant, ANN TONKOVICH, knowingly and willfully did conspire, combine, confederate and agree with other persons known to the Grand Jury, to commit an offense against the United States, that is, Wire Fraud, in violation of Title 18, United States Code, Section 1343.

MANNER AND MEANS OF THE CONSPIRACY

3. It was a part of the conspiracy that the defendant, ANN TONKOVICH, and other members of the conspiracy, submitted loan applications that, as the defendant, ANN TONKOVICH, then well knew,

contained material misrepresentations about the borrowers' financial condition.

4. It was further a part of the conspiracy that the defendant, ANN TONKOVICH, with the assistance of other members of the conspiracy, submitted false documents in connection with the loan applications, including but not limited to, appraisals that inflated the true value of the properties, appraisals that represented that they were prepared by licensed appraisers when they were really prepared by unlicensed appraisers, false real estate contracts, and employment and income verification documents that misrepresented the borrowers' employment status and overstated the borrowers' income.

5. It was further a part of the conspiracy that the defendant, ANN TONKOVICH, with the assistance of other members of the conspiracy, directed and caused payments associated with the loan transactions to be distributed contrary to the representations to the lender about how the loan proceeds would be distributed.

6. It was further a part of the conspiracy that the defendant, ANN TONKOVICH, obtained appraisals from an individual known to the grand jury as KC, who was an unlicensed appraiser, when the defendant, ANN TONKOVICH, then well know that the appraisals were fraudulent in that they overstated the true market value of the properties and represented that they were prepared by a licensed appraiser, when, in fact, they were prepared by KC.

7. It was further a part of the conspiracy that an individual known to the grand jury as DG prepared fraudulent appraisals that overstated the true market value of the properties and represented that they were prepared by a licensed appraiser, when, in fact, they were prepared by the DG, who was not a licensed appraiser.

8. It was further a part of the conspiracy that members of the conspiracy submitted and caused the submission of fraudulent loan applications and other fraudulent documents through the use of the interstate wires, in furtherance of the Wire Fraud scheme.

9. It was further a part of the conspiracy that members of the conspiracy caused wire transfers from the accounts of the lending institutions, located outside the Commonwealth of Pennsylvania, to the accounts of the closing agents located in the Commonwealth of Pennsylvania, in furtherance of the Wire Fraud scheme.

All in violation of Title 18, United States Code, Section 1349.

A True Bill,

~~FOREPERSON~~

~~MARY BETH BUCHANAN~~
United States Attorney
PA ID No. 50254

Exhibit B

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

UNITED STATES OF AMERICA,

v.

ANN MARIE TONKOVICH,

Defendant.

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)

Criminal No.08-54

PLEA

AND NOW, the defendant,
ANN MARIE TONKOVICH,
in the above entitled case *PAB, ok*
hereby withdraws ^{her} his plea
of NOT GUILTY, entered
February 21, 2008, and now
pleads GUILTY to count one
in open court this 26th day of
May, 2009.

Defendant

[Signature]

Attorney

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING

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ANN MARIE TONKOVICH, individually

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

Ann Marie Tonkovich
141 Stern Manor Drive
Fombell, PA 16123

Dated this 16th day of August, 2010.

Sarah E. Sedlak, Assistant Counsel
Commonwealth of Pennsylvania
Department of Banking
Bureau of Compliance, Investigation
and Licensing
17 North Second Street, Suite 1300
Harrisburg, PA 17101
(718) 787-1471

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	:	
v.	:	
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ANN MARIE TONKOVICH, individually	:	

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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

Ann Marie Tonkovich

Dated this 1st day of September, 2010.

Sarah E. Sedlak, Assistant Counsel
Commonwealth of Pennsylvania
Department of Banking
Bureau of Compliance, Investigation
and Licensing
17 North Second Street, Suite 1300
Harrisburg, PA 17101
(718) 787-1471