

# NEWS RELEASE

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**JOSEPH A. SMITH, JR.**  
**COMMISSIONER OF BANKS**

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## **N.C. Commissioner of Banks and Wake County District Attorney Stop Mortgage Fraud Ring**

RALEIGH—Commissioner of Banks Joseph A. Smith, Jr., today announced that joint efforts of the N.C. Office of the Commissioner of Banks (NCCOB) and the Wake County District Attorney's Office have stopped a mortgage fraud ring that operated in North Carolina, resulting in prison sentences.

"Our agency is committed to combatting mortgage fraud in the state of North Carolina," said Commissioner of Banks Joseph A. Smith. "We will continue to work closely with District Attorneys, law enforcement, regulatory agencies, and other state and federal prosecutors to ensure that individuals involved in mortgage fraud are brought to justice."

NCCOB led the lengthy investigation of a mortgage fraud scheme involving a company called Saving Carolina that operated in Wake and Durham Counties. The conspirators' scheme involved the purchase of multiple residential properties by straw borrowers, using fraudulent loan documents that included false information such as employment and income verifications in order to qualify for the mortgage loans. The properties were then rented out to residents who hoped to eventually own the properties. However, the conspirators kept the money but never repaid the loans, causing the properties to go into foreclosure. This also resulted in millions of dollars in losses to lenders.

The Wake County District Attorney's office handled the prosecution of the defendants including: Douglas Scott Allen, his wife, Renee Keiser, Antonious Iskander, and Matthew Garrett.

"We'd like to thank the Office of the Commissioner of Banks for their assistance in this case," said Wake County District Attorney C. Colon Willoughby, Jr. "Our cooperative efforts have resulted in the first prosecution and conviction under the new mortgage laws."

This case resulted in the first criminal conviction under the [N.C. Residential Mortgage Fraud Act](#), passed in 2007 by the N.C. General Assembly.

Due to the combined efforts of NCCOB, Durham Police Department, Raleigh Police Department, Wake County District Attorney's Office, the Durham County District Attorney's Office, the North Carolina Attorney General's Office, and HUD Office of the Inspector General:

- Allen pled guilty to five counts of obtaining property under false pretenses of more than \$100,000, a Class C felony. He was sentenced to a prison term of not less than 44 months (3 years and 8 months) to a maximum term of 62 months (6 years and 2 months).

- Garrett pled guilty to one count of residential mortgage fraud and was sentenced to a term of not less than 6 months to no more than 8 months in prison. The sentence was suspended and he was placed on 18 months supervised probation and fined \$5,000. His North Carolina real estate license was also suspended.
- Iskander pled guilty to two counts of residential mortgage fraud and was sentenced to a term of not less than 4 months to no more than 5 months in prison. The sentence was suspended and he was placed on 18 months of supervised probation and fined \$2,000.
- Keiser, who spent 8 months in jail, was sentenced to time served after she pled guilty to residential mortgage fraud.

NCCOB regulates state-chartered banks, thrifts, trust companies, and more than 500 mortgage lenders/servicers/brokers and 5,500 mortgage loan originators, as well as numerous consumer finance companies, check-cashers, and other financial services. NCCOB is funded by industry fees and assessments and not taxpayer dollars.

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