



# Federal Housing Finance Agency

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## FINAL SUSPENSION ORDER

The Federal Housing Finance Agency, as safety and soundness regulator of Fannie Mae, Freddie Mac, and the eleven Federal Home Loan Banks (the “regulated entities”), is issuing this Proposed Order pursuant to the following legal authorities:

1. Section 1313B of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (Safety and Soundness Act) authorizes FHFA to establish standards for the regulated entities regarding prudential management of risks. FHFA is authorized to issue orders requiring the regulated entities to take any action that will best carry out the purposes of that section. *See* 12 U.S.C. 4513b(b)(2)(B)(iii).
2. Section 1319G of the Safety and Soundness Act authorizes FHFA to issue any orders necessary to ensure that the purposes of the Safety and Soundness Act are accomplished. *See* 12 U.S.C. 4526(a).
3. Section 1313 of the Safety and Soundness Act authorizes FHFA to exercise such incidental powers as may be necessary in the supervision and regulation of each regulated entity. *See* 12 U.S.C. 4513(a)(2).

Consistent with these authorities, FHFA has determined that any business relationship between Ricky Lynn Stokes and a regulated entity would present excessive risk to the safety and soundness of the regulated entity.

This determination is based on the following findings:

1. Ricky Lynn Stokes was a sales agent and Director of Investor Relations at Cay Clubs. He also used the title “Managing Director/Partner,” Cay Clubs Intentional. He eventually became Director of Sales. Cay Clubs arranged and facilitated lender financing for investor to borrow funds from a lending institution to purchase units. As the seller of the units, Cay Clubs would also arrange for real estate closings.
2. Ricky Lynn Stokes and co-conspirators engaged in a conspiracy to unlawfully enrich themselves by misleading and defrauding investors and lending institutions, to conceal and cover up their ownership interest in and control of the numerous Cay Clubs entities, to conceal their receipt of funds derived from Cay Clubs, and to obtain money from the

proceeds of fraudulently obtained bank loans for themselves and third parties for their personal use and benefit.

3. Ricky Lynn Stokes and co-conspirators made false representations to lending institutions concerning the real estate closings involving Cay Club units. The false representations and omissions included providing false employment information and intentionally concealing Cay Clubs-related employment on loan applications.
4. On March 24, 2015, Ricky Lynn Stokes was sentenced by the United States District Court, Southern District of Florida to 60 months imprisonment and 3 years supervised release for Conspiracy to Commit Bank Fraud.
5. The conduct above occurred in connection with real estate transactions.

With this Final Order, FHFA is directing each regulated entity to cease any business relationship with Ricky Lynn Stokes for ten (10) years, beginning on March 18, 2019. This suspension extends to any individual, company, partnership or other group that FHFA determines to be an affiliate of Ricky Lynn Stokes.

The Final Order's requirement for regulated entities to cease any business relationship with Ricky Lynn Stokes does not apply to the existing or future purchase, sale, modification, foreclosure alternative transaction, or other foreclosure-related transaction of a residential mortgage loan owned by a regulated entity, if Ricky Lynn Stokes is the borrower of such residential mortgage loan and the transaction is for the borrower's own personal or household residence.

This Final Order will be a final action of the Federal Housing Finance Agency.

  
Alfred M. Pollard, Suspending Official

1-30-2019  
Date: