



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 Final 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 Jonathan Wade Dunning 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. Jonathan Wade Dunning was the CEO of Birmingham Health Care, Inc. (“BHC”) (now known as Alabama Regional Medical Services) and Central Alabama Comprehensive Health, Inc. (“CACH”), both non-profit healthcare centers.
2. Jonathan Wade Dunning formed several for-profit companies (collectively “Synergy Entities”), which included Synergy Real Estate Holdings, LLC.
3. Jonathan Wade Dunning used his control of BHC and CACH to divert \$13.5 million to Synergy Entities, including Synergy Real Estate Holdings, LLC, through consulting contracts, real estate leases, and transfers from BHC’s revenue account containing federal grant funds.

4. In January 2003, the Federal Home Loan Bank of Atlanta, BHC, and others entered into an Affordable Housing Program (AHP) Agreement for a certain rental property located in Birmingham, Alabama (“Premises”).
5. Pursuant to the agreement, BHC received a subsidy for the rental project and in return agreed to meet certain targets related to the affordability of housing in the Premises. Ownership of the AHP project was subsequently transferred from BHC to Synergy Real Estate Holdings, LLC.
6. On October 14, 2016, Jonathan Wade Dunning was sentenced by the United States District Court, Northern District of Alabama, to 216 months imprisonment, followed by sixty (60) months of supervised release for conspiracy and wire fraud, bank fraud, federal program fraud, and money laundering related to a fraudulent scheme to divert funds from federally-funded healthcare centers he managed as CEO.
7. The conduct underlying the conviction listed above occurred in connection with a financial transaction.

With this Final Order, FHFA is directing each regulated entity to cease any business relationship with Jonathan Wade Dunning indefinitely, beginning on August 9, 2019. This suspension extends to any individual, company, partnership or other group that FHFA determines to be an affiliate of Jonathan Dunning.

This Final Order’s requirement for regulated entities to cease any business relationship with Jonathan Wade Dunning 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 Jonathan Wade Dunning is the borrower of such residential mortgage loan and the transaction is for the borrower’s own personal or household residence.

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



Alfred M. Pollard, Suspending Official

6-21-2019
Date: