



PRESS RELEASE

Federal Deposit Insurance Corporation

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May 8, 1997

MORTGAGE LOAN SERVICER INDICTED FOR DEFRAUDING RESOLUTION TRUST CORPORATION OF \$3.5 MILLION

FOR IMMEDIATE RELEASE

FDIC Inspector General Gaston L. Gianni, Jr., announced today that a federal grand jury in Jacksonville, FL, returned a six-count indictment against Ryland Mortgage Corporation (Ryland) and three officials for defrauding \$3.5 million from the former Resolution Trust Corporation (RTC).

Ryland, a wholly owned subsidiary of The Ryland Group, Inc., is an Ohio corporation with principal offices in Columbia, MD. Between 1992 and 1995, Ryland operated a mortgage loan-servicing office in Jacksonville, FL.

The RTC was created in 1989 to resolve failed savings and loan associations, and manage and dispose of their assets, including residential mortgage loans. The RTC closed its doors on December 31, 1995, and the FDIC took over the RTC's remaining business.

The indictment charges that Ryland, acting through three senior-level officers, conspired to defraud and did defraud the RTC of \$3.5 million in connection with the transfer of servicing under two securitization transactions that the RTC undertook in 1991 and 1992.

Other charges against Ryland and the three officials include conspiracy to commit wire fraud, wire fraud, concealing material information from the RTC, and impeding and impairing the RTC's functions.



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

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The officials named in the indictment are Walter Rigsbee, senior vice president; Lavon Lutner, former vice president of the Jacksonville loan-servicing office; and Barry Stricklin, former vice president of the Columbia, MD, loan-servicing office.

If convicted on all counts, the corporation and the officials each face a \$1.5 million fine. The officials also each face 30 years imprisonment.

The indictment follows a two-year investigation by the FDIC's Office of Inspector General. The case is being prosecuted by Assistant U.S. Attorneys Dennis I. Moore and A. William Mackie.

An indictment is merely an accusation. Defendants are presumed innocent unless proven guilty.

Last Updated 07/14/1999
