



Department of Justice

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Northern District of Georgia

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FORMER GEORGIA CLOSING ATTORNEY SENTENCED TO PRISON IN MULTIMILLION DOLLAR MORTGAGE FRAUD

ATLANTA, GA - TRENT EDWARD WRIGHT, 38, of Cumming, Georgia, was sentenced today by United States District Judge Timothy C. Batten, Sr. to serve 1 year, 9 months in federal prison on a mail fraud charge involving a mortgage fraud scheme which victimized lenders and title insurance companies.

Acting United States Attorney Sally Quillian Yates said of today's sentencing, "Lenders and title companies relied on this defendant as their closing attorney and agent and he was in a position of trust. He was supposed to pay off all prior encumbrances on properties to secure loans, and pass clear title as warranted by the title insurance. He didn't. Now he is going to federal prison."

WRIGHT was sentenced to 1 year, 9 months in prison to be followed by 3 years of supervised release, and ordered to pay \$2,409,760 in restitution to the victims of the scheme. There is no parole in the federal system. WRIGHT pleaded guilty to the mail fraud charge in a Criminal Information on December 17, 2009.

According to Acting United States Attorney Yates and the information presented in court: In September, October and November 2006, WRIGHT, then a real estate closing attorney operating from an office in Sugar Hill, Georgia, closed approximately 17 loans in which lenders were falsely assured that all prior loans encumbering the properties securing their loans had been paid off. Those lenders then believed that they would be in first position to recoup their loan amounts from the sale of the properties should they go into foreclosure. WRIGHT also wrote title insurance for these loans although he failed to pay off numerous prior recorded liens which encumbered the properties. Rather than ordering title searches and requesting pay off amounts from all prior lenders as required before the new loan closings, WRIGHT either failed to order title searches or disregarded recorded prior encumbrances, causing over \$2.4 million in losses. WRIGHT closed his law practice in January 2007, and surrendered his license to practice law in December 2009.

A co-conspirator in a related case, EDWARD WILLIAM FARLEY, 47, of

Hoschton, Georgia, operated through a company called Alliance Resource Management (“ARM”) located in Lawrenceville, Georgia, as the borrower who received the proceeds from the 17 mortgage loans closed by WRIGHT. In seeking funds for other loans, FARLEY told real estate investors, lenders, and banks, that they would get returns of 14% to 60%. FARLEY also promised them that they, too, would be first position to recoup their loan amounts from the sale of the properties should they go into foreclosure. FARLEY in fact used the same property to falsely “fully secure” multiple lenders on that same property. This fraud caused losses in excess of \$25 million.

FARLEY pleaded guilty to bank fraud and conspiracy on November 5, 2009, and is scheduled for sentencing before Judge Batten on April 14, 2010. FARLEY could receive a maximum sentence of 30 years in prison and a fine of up to \$1,000,000 on each of the two counts, plus full restitution to all victims who have not been repaid. In determining the actual sentence, the Court will consider the United States Sentencing Guidelines, which are not binding but provide appropriate sentencing ranges for most offenders.

These cases are part of President Barack Obama's Financial Fraud Enforcement Task Force. President Obama established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

These cases were investigated by Special Agents of the Federal Bureau of Investigation, assisted by the Office of the U.S. Bankruptcy Trustee.

Assistant United States Attorney Gale McKenzie is prosecuting the cases.

For further information please contact Sally Q. Yates, Acting United States Attorney, or Charysse L. Alexander, Executive Assistant United States Attorney, through Patrick Crosby, Public Affairs Officer, U.S. Attorney's Office, at (404) 581-6016. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is www.usdoj.gov/usao/gan.