



# **REYNOLDS GROUP**

and

# **First Tennessee Bank, N.A.**

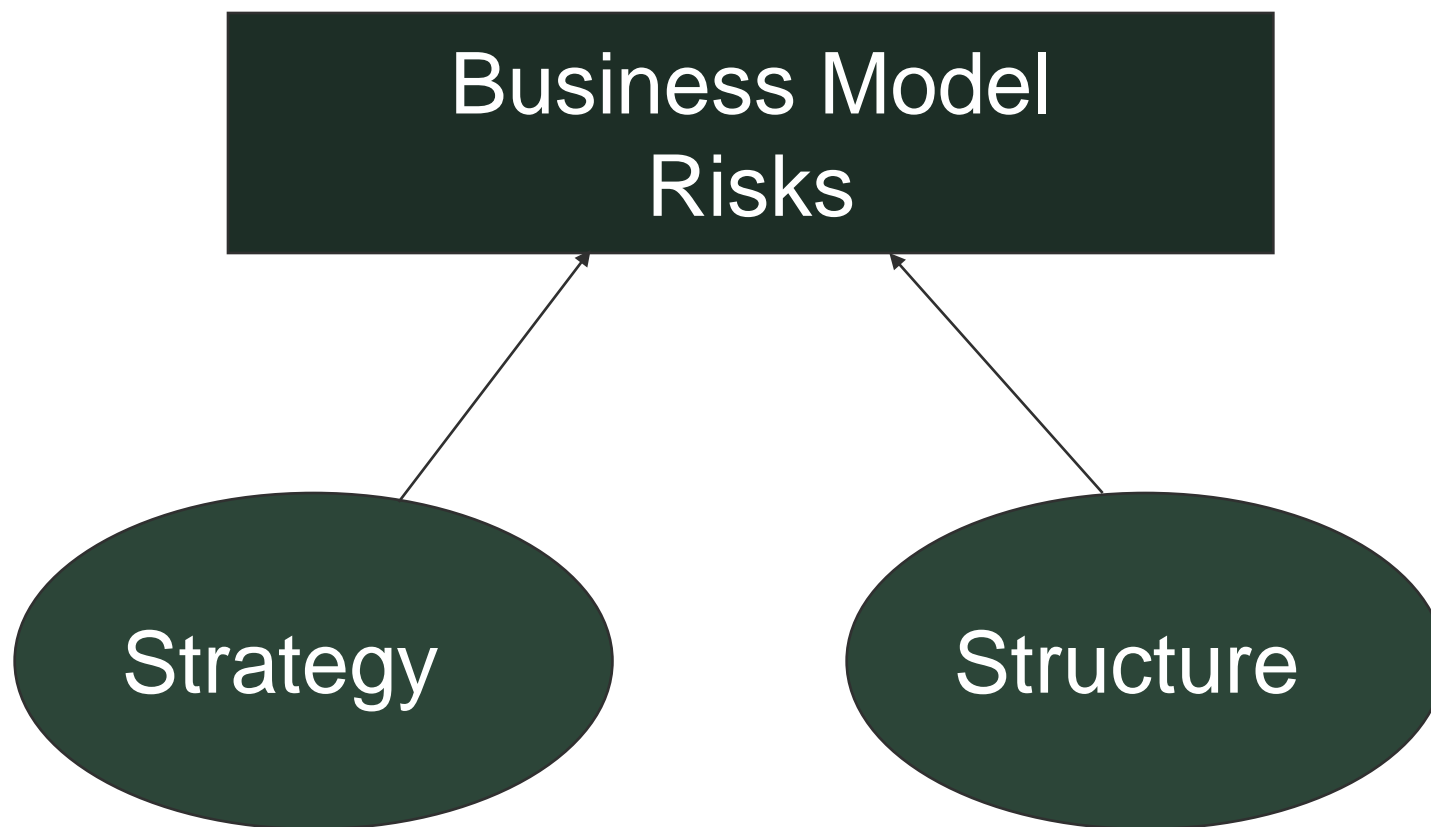
**“FRAUD FOR PROFIT”**  
**Presentation**  
at

**MBA’s National Fraud Issues Conference**

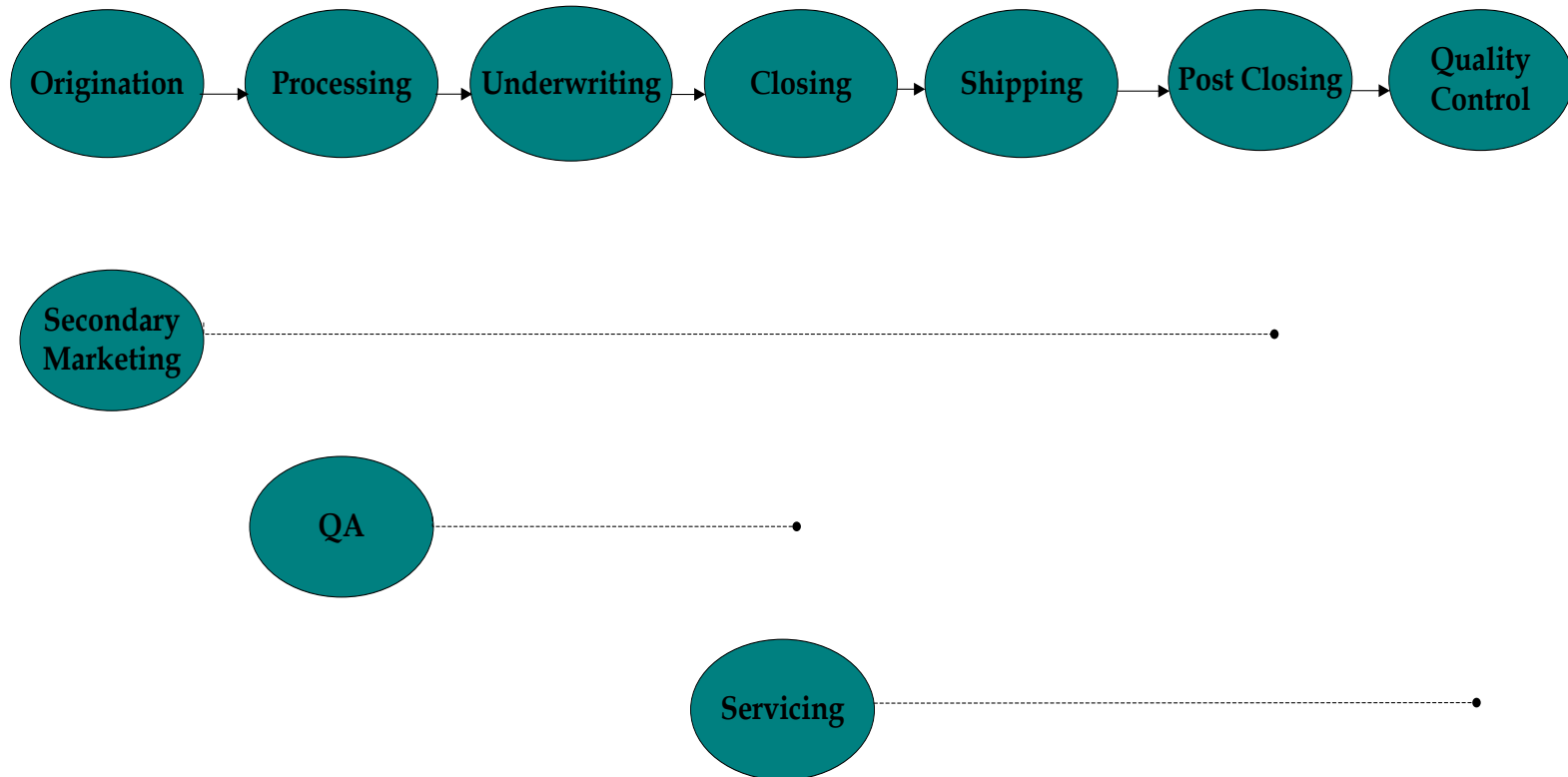
**April 26, 2010**

**Hyatt Regency Chicago**

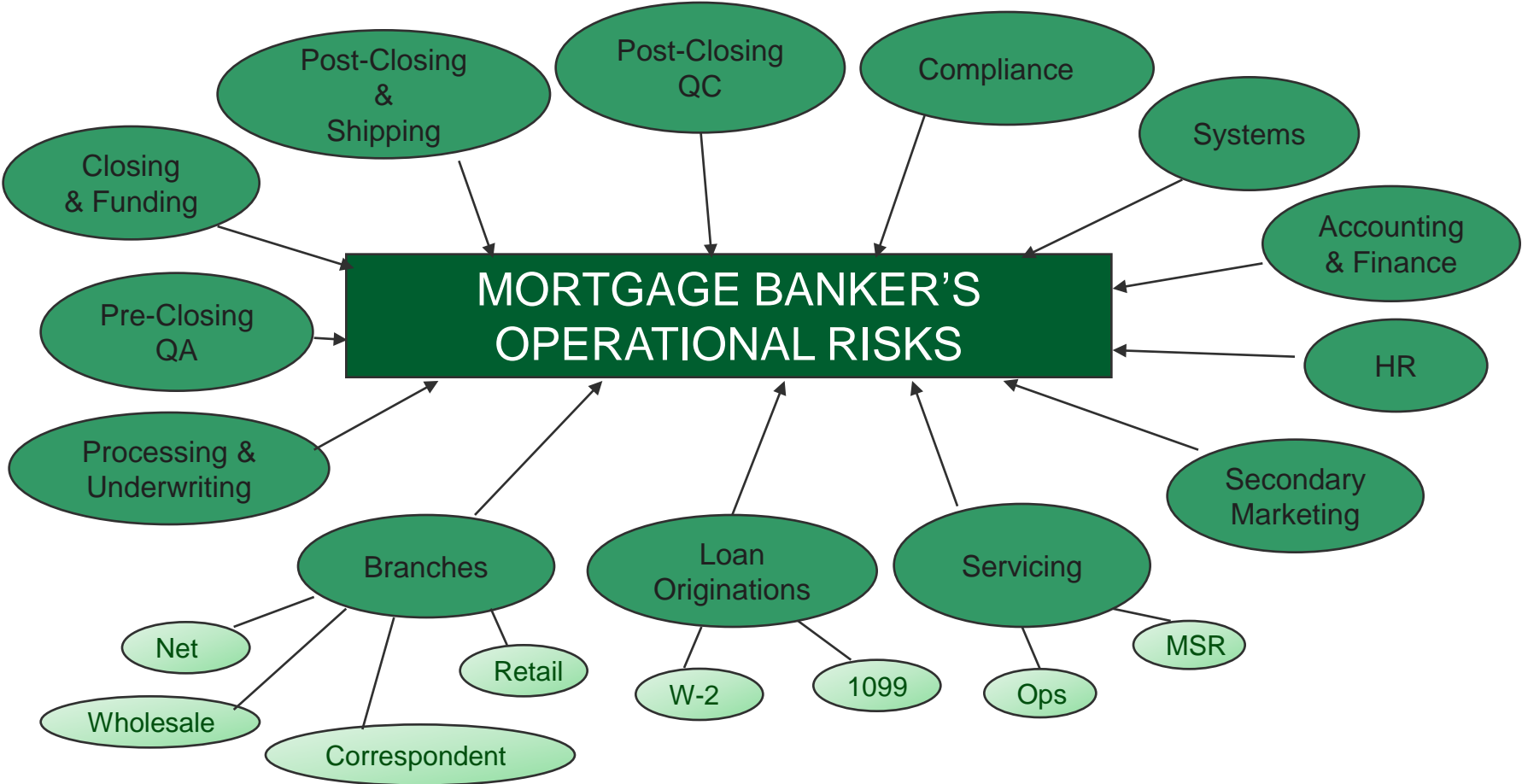




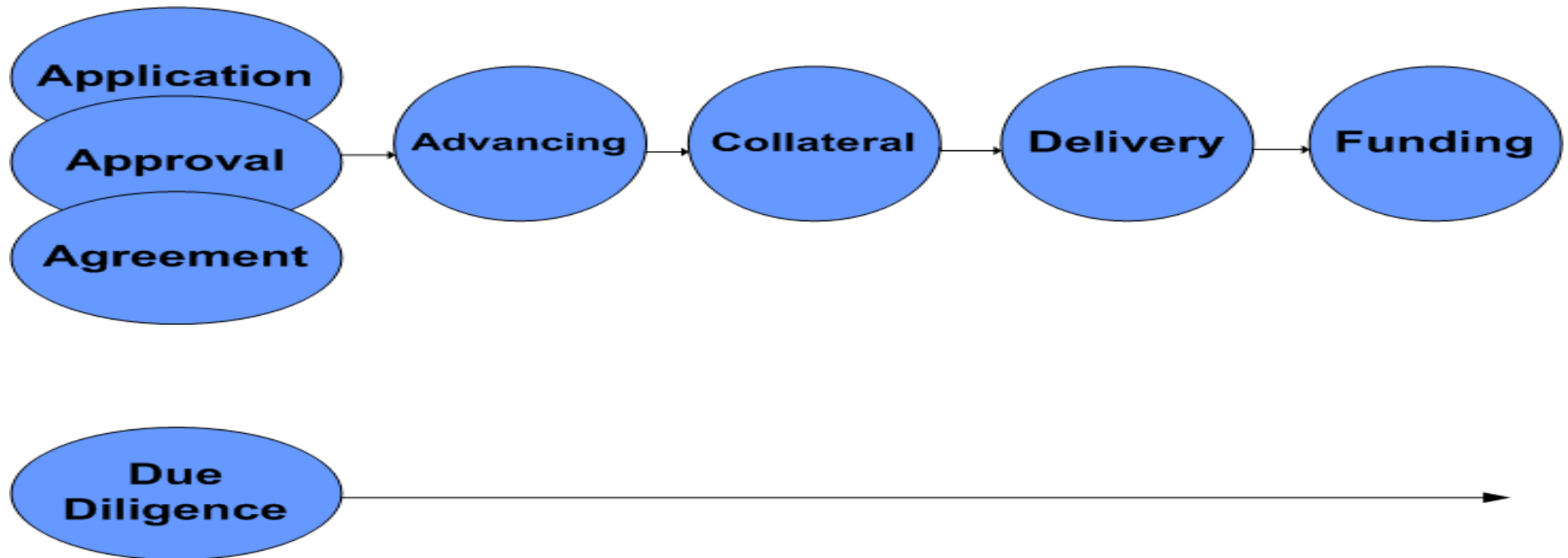
# MORTGAGE BANKING OVERVIEW



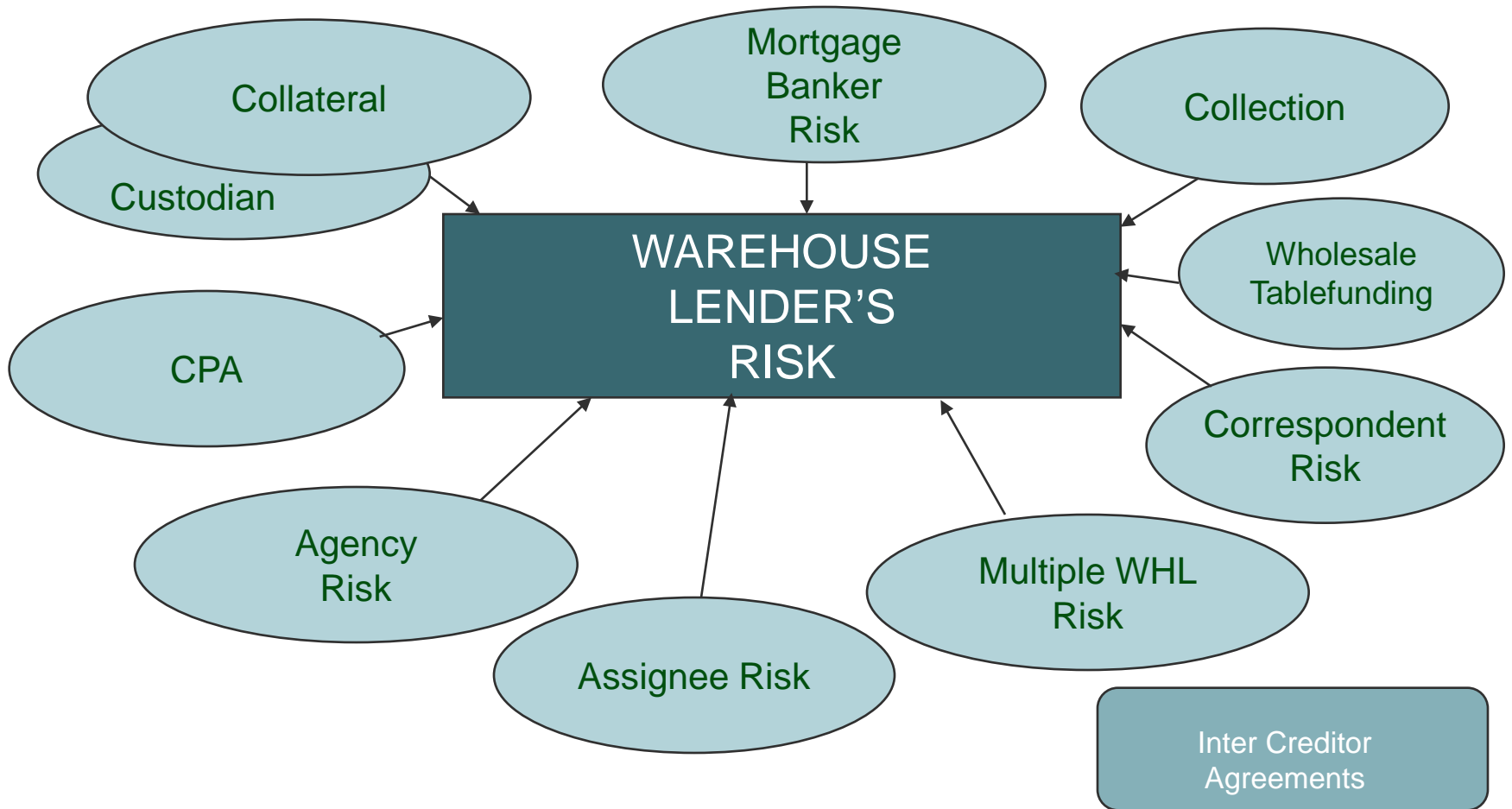
# MORTGAGE BANKER'S RISKS



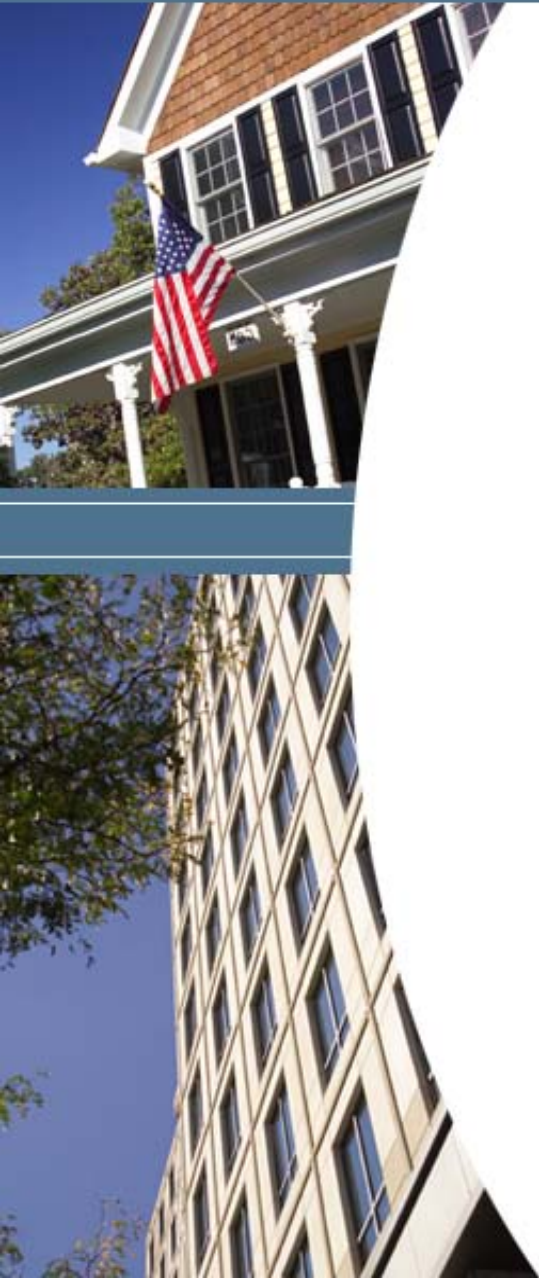
# WAREHOUSE LENDER OVERVIEW



# WAREHOUSE LENDER'S RISKS

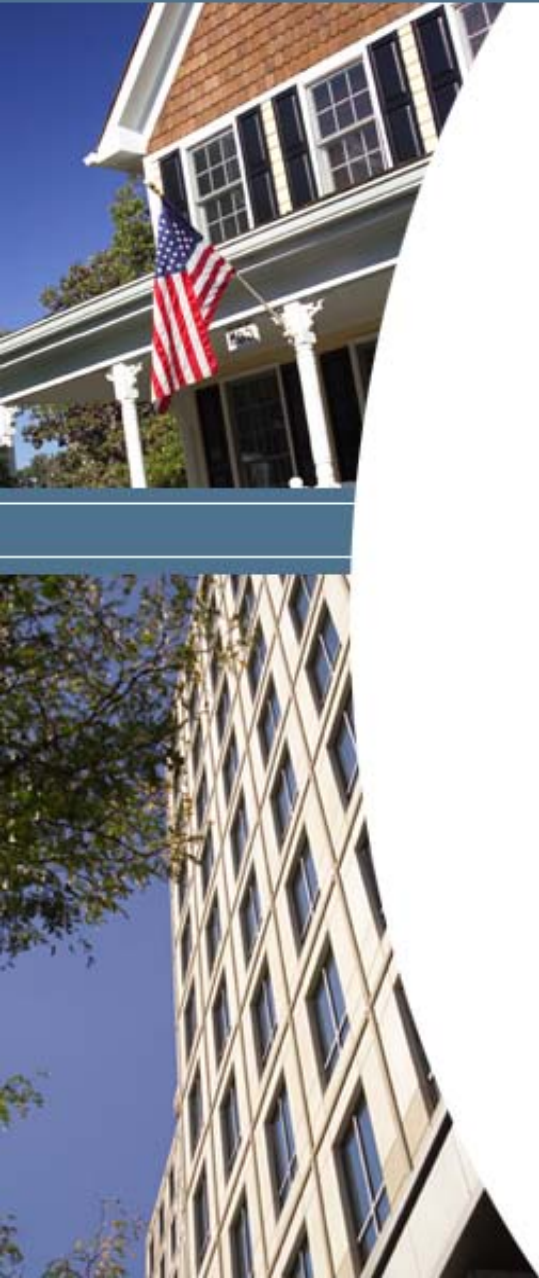


# FRAUD

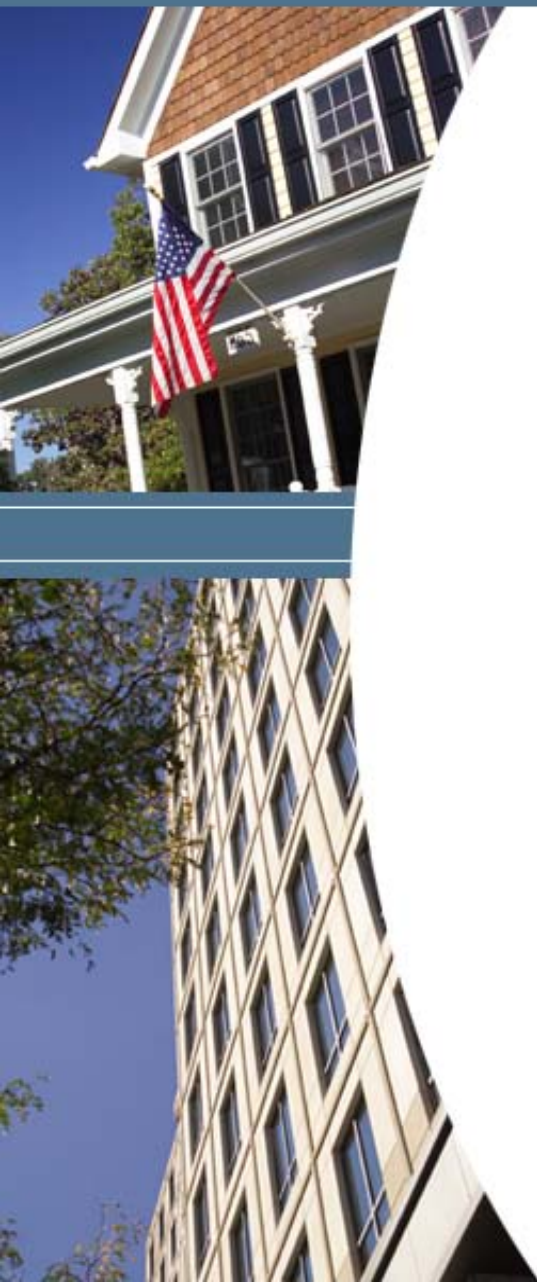


- **Fraud For Profit**
- **Fraud for Housing**

# WHY FRAUD?



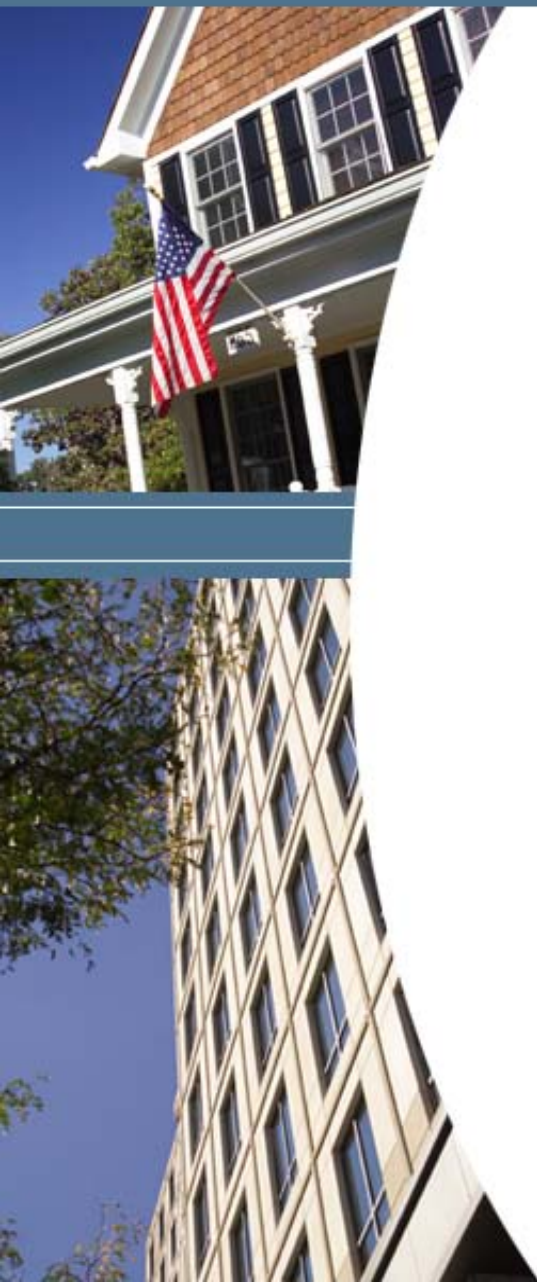
- **Barriers to Entry**
- **Access to Significant Levels of Cash**
- **Fragmented Structure**
- **Touch Business**
- **“Enablers”**
- **Bad Apples**



# RED FLAGS



# NEGLIGENCE VS FRAUD



**57 Union Place, Suite 316  
Summit, New Jersey 07901  
908-277-0250**

**[www.reynoldsg.com](http://www.reynoldsg.com)**

**James E. Reynolds, Managing  
Partner**

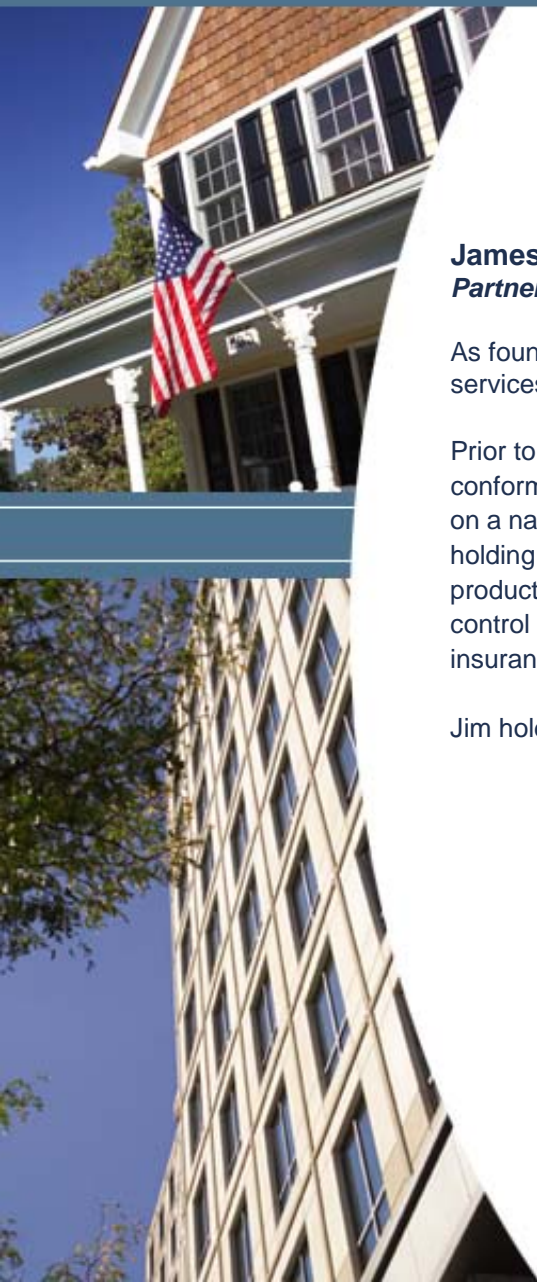
**[jreynolds@reynoldsg.com](mailto:jreynolds@reynoldsg.com)  
(Cell) 908-377-2622**

**Richard W. Payne, Partner**

**[rpayne@reynoldsg.com](mailto:rpayne@reynoldsg.com)  
(Cell) 908-803-1290**

**Stacy A. Todd, Director of Operations**

**[stodd@reynoldsg.com](mailto:stodd@reynoldsg.com)  
(Cell) 973-735-3724**



**James E. Reynolds**  
*Partner*

As founder of The Reynolds Group, has extensive experience in mortgage banking and related financial services.

Prior to forming The Reynolds Group, Jim owned and operated a mortgage banking firm which originated non-conforming, agency (Fannie Mae & Freddie Mac), government (HUD), ALT-A, and sub-prime residential loans on a nationwide basis. In addition, as president of a mortgage banking subsidiary of a publicly owned bank holding company, he established several profitable nationwide business units including: loan servicing, loan production, document custodian, and warehouse lending. Jim also established a due diligence and quality control group whose clients included the FDIC, FHLB, commercial banks, thrifts, investment banks and insurance companies.

Jim holds an AB in government and an MBA in finance from Harvard University.