



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 Barry J. Graham 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. Barry J. Graham was the Director of Sales of Cay Clubs and held himself out as a partner in a certain Cay Clubs entity. He supervised and trained sales agents, reviewed marketing materials and pitched the Cay Clubs investment to potential investors through marketing seminars and marketing videos.
2. Barry J. Graham engaged in insider sales of units in Cay Clubs real estate developments.
3. Barry J. Graham, along with co-conspirators, obtained millions of dollars in remuneration and disbursements from various Cay Clubs entities, which proceeds were derived from fraudulently obtained bank loans.
4. Barry J. Graham made false and fraudulent statements to regulators and others as to the true ownership, control and income of Cay Clubs principals.

5. Barry J. Graham was convicted on March 31, 2015 of one count of Conspiracy to Commit Bank Fraud (18 U.S.C. 371).
6. As described in the Plea Agreement filed in the United States District Court Southern District of Florida, Key West Division on December 3, 2014, the conduct underlying the conviction set forth above involved misappropriation of funds and the concealment of those misappropriations from financial institutions.
7. As described in the December 3, 2014 Plea Agreement, the conduct underlying the conviction listed above occurred in connection with mortgage-related transactions.

With this Final Order, FHFA is directing each regulated entity to cease any business relationship with Barry J. Graham for a period of ten (10) years, beginning on August 27, 2016. This suspension extends to any individual, company, partnership or other group that FHFA determines to be an affiliate of Barry J. Graham.

This Final Order's requirement for regulated entities to cease any business relationship with Barry J. Graham 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 Barry J. Graham is the borrower of such residential mortgage loan and the transaction is for the borrower's own personal or household residence.



Alfred M. Pollard
Suspending Official

6-28-2016
Date