



# 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 Michael Martinez 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. Quantum Title, LLC (“Quantum”) was a full service title insurance agency that was founded by Michael Martinez in 2002 and operated to support various real estate transactions, including closings being conducted. While Quantum was staffed by a variety of employees, most of the key financial transactions and decisions that related to Quantum’s activities were typically made by Michael Martinez and/or his bookkeeper, Katherine Norman.
2. On July 15, 2011, the Colorado Division of Insurance (DOI), which is part of the Colorado Department of Regulatory Agencies, received a letter from Quantum stating, that it had “...ceased operations and is no longer conducting business.” Furthermore the letter also stated that Quantum could no longer “...fulfill any escrow obligations.” Based on DOI receiving this letter from Quantum a regulatory investigation ensued showing that as of July 15, 2011, at least 14 properties and real estate transactions were detrimentally affected by Quantum being unable to “fulfill any of its escrow obligations.”

3. Michael Martinez and Katherine Norman, through Quantum, collected closing funds from DOI intended to close real estate transactions and failed to submit the pay-off amounts as required in multiple transactions.
4. On January 10, 2014, Michael Martinez was sentenced by the Colorado District and County Courts, Denver District to five years' incarceration and (5) years' of probation (concurrent).
5. As described in the Indictment filed in the District Court, City and County of Denver, Colorado, on May 16, 2013, 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 Michael Martinez for ten (10) years, beginning on August 31, 2018. This suspension extends to any individual, company, partnership or other group that FHFA determines to be an affiliate of Michael Martinez.

The Final Order's requirement for regulated entities to cease any business relationship with Michael Martinez 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 Michael Martinez 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.

  
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Suspending Official:

  
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Date: