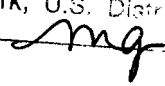


FILED
OCT 13 2009

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF KANSAS

Clerk, U.S. District Court
By: 

UNITED STATES OF AMERICA, }
 }
 Plaintiff, }
 }
 v. }
 }
 KARA ROBINSON FRANKS, a/k/a/ }
 Kara E. Garrett mp }
 Defendant. }
 }
 }
 }
 }
 }

No. 07-20154-04-JWL

PLEA AGREEMENT

The United States of America, by and through Assistant United States Attorney, Marietta Parker, and Kara Robinson Franks, a/k/a Kara Franks, a/k/a/ Kara E. Garrett, the defendant, personally and by and through Patrick E. Miller, defendant's counsel, hereby enter into the following plea agreement pursuant to Rule 11 of the Federal Rules of Criminal Procedure:

1. **Defendant's Guilty Plea.** The defendant agrees to plead guilty to Counts Five and Eleven of the Superseding Information charging in Count Five a violation of Title 18, United States Code, §§ 1343 and 2, that is wire fraud and in Count Eleven a violation of Title 18, United States Code, §§ 1956 and 2, money laundering. By entering into this plea agreement, the defendant admits to knowingly committing each of these offenses, and to being guilty of them. The defendant understands that the maximum sentence which may be imposed as to Count Five of the Information to which the defendant has agreed to plead guilty is not more than twenty (20) years of imprisonment (30 years if a financial institution is affected), a fine of \$250,000 (\$1,000,000 if a financial institution is affected); 3 years of supervised release (5 years if a financial institution is affected), a \$100 mandatory special assessment, and an order of

restitution. The defendant further understands that the maximum sentence which may be imposed as to Count Eleven is not more than 20 years if imprisonment, a fine of \$500,000 or twice the value of the property involved in the transaction, whichever is greater, three (3) years of supervised release, and a \$100 mandatory special assessment. The United States agrees that it will dismiss the remaining counts charged against this defendant at the time of sentencing.

2. **Factual Basis for the Guilty Plea.** The parties agree the facts constituting the offense to which the defendant is pleading guilty are as follows:

**Count Five
Wire Fraud**

Between in or about January, 2002, and in or about January, 2004, in the District of Kansas and elsewhere, Wildor Washington, Jr., aided and abetted by other person including the defendant, Kara Robinson-Franks, knowingly devised and executed a scheme and artifice to defraud and to obtain money and property by means of material false representation, and promises in violation of Title 18, United States Code, Sections 1343 and 2 , wire fraud. During the execution of the scheme and artifice, Wildor Washington, Jr., owned or controlled various business entities including but not limited to Heritage Financial Investments, Legacy Enterprises, Atlantic Mortgage, Inc., The Real Estate Group, J.T.F. Enterprises, Liberty Escrow and AMSTAR Mortgage, all of which were utilized by the conspirators in furtherance of the scheme.

Through Washington's various business entities the conspirators knowingly submitted and caused the submission of false and fraudulent property appraisal reports to various lenders. Many of the appraisal reports submitted to legitimate lenders by Washington, Jr.'s companies contained what the conspirators knew to be inflated property values and the forged signatures of licensed appraisers whose identities had been stolen. The conspirators obtained the identity of legitimate appraisers by searching internet web sites for appraisers and appropriating their identifying information and legitimate state license numbers found on those sites. Additionally, the conspirators, using a "cut and paste" method, appropriated the names, real estate license numbers and signatures of legitimate appraisers who had previously prepared legitimate appraisals for the conspirators and then transferred the stolen signatures and identifying information to false appraisal reports which were submitted to lenders.

In addition to the submission to lenders of falsely inflated appraisal reports, the conspirators prepared and submitted loan applications which falsely represented that the residence would be used as the borrower's primary residence. The conspirators also submitted supporting documents to the lenders that they knew included false and fraudulent representations, including false W-2 tax forms and false income statements.

The fraudulent appraisal reports and loan applications were submitted by the conspirators to the lenders via wire transmissions or through the U.S. mail or private commercial carriers. After the fraudulent loans were closed, the loan proceeds were transported across state lines via wire transfers or by mail carriers and some of those proceeds were disbursed to the conspirators.

In or about May of 2003, Kara Robinson-Franks (now known as Kara E. Garrett), began to purchase residential real estate through Washington's mortgage brokerage company, Legacy Enterprises (Legacy) also known as Heritage Financial Investments (Heritage). During the period of May 2003 through January 2004 Franks engaged in no less than nine real estate transactions with Washington and others where she acted as either the buyer or the seller. The loans involved in these transactions were obtained by submitting fraudulent information to lenders including inflated appraisals, false loan applications, fraudulent income verification documents and stolen identities of appraisers in order to deceive the lenders into approving the loans.

As part of the above-referenced scheme and artifice to defraud and to obtain money and property by means of false and fraudulent statements, representations and promises, in or about November, 2003, Kara E. Franks-Garrett, acting as the borrower/buyer, aided and abetted Washington and others in the purpose of purchasing a home for Washington and his live-in girlfriend, Victoria Ima Bennet, valued at approximately \$1,000,000 located 46XX W. 146th St. Leawood Kansas.

To assist in obtaining a loan on this property, Washington Jr. paid a local accountant and client, a fee of \$75 per document to manufacture what he knew was a fraudulent W-2 forms showing that Franks earned over \$200,000 per year working for Washington's company, Heritage Financial Investments a.k.a. Legacy Enterprises, when in fact, Franks earned approximately \$50,000 per year working as a manager for AT&T, in Lee's Summit, Missouri.

For the purpose of executing and attempting to execute the scheme and artifice to defraud, on or about November 5, 2003, Washington, aided and abetted by Kara Franks, submitted writings in interstate commerce, that is: loan applications containing false and fraudulent information to multiple lenders and brokers including First Magnus Financial Corp., Wells Fargo Bank, and Mortgage

Solutions. The loan application submitted to Mortgage Solutions was submitted via interstate facsimile from Legacy Enterprises in the state of Kansas (telephone number 913-390-6801) to Mortgage Solutions, in the state of Missouri (telephone number 816-690-8127.)

The false and fraudulent statements in the loan application to Mortgage Solutions included the following misrepresentation: that Franks earned over \$21,000 in monthly income; that as early as 2000 she was the vice-president of operations for Washington's company, Heritage Financial Investments; that the home would be her primary residence when she knew Washington Jr. would live there with Victoria Ima Bennett and their children; that Franks owned a bank account at Bank of America with a balance of \$30,000; and that Frank's total assets exceeded \$900,000.

In order to further deceive the lender and to qualify Franks for the loan, Franks' name was added to the personal bank account of co-conspirator Leslie R. Saunders, also located at Bank of America. Saunders met Franks at the Bank of America branch located in Lee's Summit Missouri where they added her to his personal bank account bearing account number #xxxx-xxxx-9194. This was done for the purpose of deceiving lenders and giving Franks the appearance of having more assets than she actually did, thus influencing the lender's decision to issue the loan.

In order to obtain a loan from First Magnus to purchase the property located at 46XX W. 146th Street, Cashier's Check number 500742913 dated November 25, 2003 in the amount of \$162,126.69 was submitted to Parkway Title as the down payment on the property, that check showing Kara Franks as the remitter. The source of the \$162,126.69 down payment came from the \$199,620.65 in loan proceeds that were in the custody of Washington's company, Liberty Escrow, held in escrow to pay off the first mortgage on a residence fraudulently refinanced by co-defendant Leslie R. Saunders, located at 125XX E. 58th Street; Kansas City, MO.

**Count Eleven
Money Laundering**

Shortly after the initial fraudulent purchase of the property located on 146th Street, Franks applied and received a home equity line of credit loan on the residence with a different lender, Countrywide Home Loans, in order to obtain over \$95,000 in loan funds for herself and Washington Jr. In order to obtain the equity line of credit on the residence, Franks submitted another loan application dated December 16, 2003 to lender, Countrywide Home Loans. This application falsely stated that Franks' monthly income was in excess of \$23,000.

After the loan was approved by Countrywide, Check No 3-11205 was issued to Franks in the amount of \$95,074.72, representing proceeds from the home equity line of credit which had been fraudulently obtained. After receiving the check, on or about December 23, 2003, Franks cashed it at Town & Country Bank in Leawood, Kansas. In order to conceal and disguise the nature and source of the funds and to promote the carrying on of the specified unlawful activity of wire fraud in violation of 18 U.S.C. § 1343, the defendant used some of the \$95,074.72 in proceeds to purchase Cashier's Check No. 4474 in the amount of \$92,069.72 and received \$3,000 in cash, knowing that the transaction represented the proceeds of wire fraud. Frank's then endorsed the check over to Washington who deposited it into his personal bank account held at Union Bank in Kansas City, Missouri bearing account number xxxxxxxx186.

The parties stipulate and agree that the financial transaction described above relating to the purchase of Cashier's Check No. 4474 affected interstate commerce.

3. Application of the Sentencing Guidelines. The parties request that the United States Sentencing Guidelines (Guidelines) be applied by the Court to calculate the applicable sentence in this case and that a sentence consistent with the Guidelines be imposed by the Court. The defendant further waives any right to have facts that determine the offense level under the Guidelines alleged in an indictment and found by a jury beyond a reasonable doubt; agrees that facts that determine the offense level will be found by the Court at sentencing by a preponderance of the evidence and agrees that the Court may consider any reliable evidence, including hearsay; and the defendant agrees to waive all constitutional challenges to the validity of the Guidelines. The parties further agree to request a sentence within the guideline range determined to be appropriate by the Court. In other words, the United States will not request a sentence in excess of the high end of the guideline range and the defendant will not request a sentence below the low end of the guideline range. The parties understand this agreement binds the parties only and does not bind the Court.

4. **Relevant Conduct.** The parties have agreed to the application of the Guidelines and therefore both the United States and the defendant understand that the conduct charged in the information is to be considered as well as all other uncharged related criminal activity as relevant conduct for purposes of calculating the offense level for Counts Five and Eleven, in accordance with United States Sentencing Guidelines (U.S.S.G.) § 1B1.3. The parties stipulate and agree that for purposes of calculating the defendant's sentence and restitution, the losses that were reasonably foreseeable to the defendant amounted to \$680,836

5. **Government's Agreements.** In return for the defendant's plea of guilty as set forth herein, the United States Attorney for the District of Kansas agrees:

- a. To not file any additional charges against the defendant arising out of the facts forming the basis for the present indictment;
- b. To recommend a sentence at the low end of the applicable guideline range; and
- c. To recommend the defendant receive a two (2) level reduction in the applicable offense level under U.S.S.G. § 3E1.1 for acceptance of responsibility. In addition, if the defendant's offense level is 16 or greater, the United States will move at the time of sentencing for the defendant to receive an additional one (1) level reduction for acceptance of responsibility because the defendant timely notified the government of his intention to enter a plea of guilty.

The government's obligation concerning its agreements listed in ¶ 5 are contingent upon the defendant's continuing manifestation of acceptance of responsibility as determined by the United States. If the defendant denies or gives conflicting statements as to his involvement, falsely denies or frivolously contests relevant conduct that the court determines to be true, willfully obstructs or impedes the administration of justice as defined in U.S.S.G. § 3C1.1 (or

willfully attempts to do so), or engages in additional criminal conduct, the United States reserves the right to withdraw all of its recommendations without breaching this agreement.

In the event the defendant breaches or violates this plea agreement or otherwise fails to adhere to its terms, the United States shall not be bound by this paragraph and may pursue any additional charges arising from the criminal activity under investigation as well as any perjury, false statement, or obstruction of justice charges which may have occurred. The defendant understands and agrees that in the event the defendant violates this plea agreement, all statements made by the defendant subsequent to the execution of this plea agreement, any testimony given by defendant before a grand jury or any tribunal or any leads from such statements or testimony shall be admissible against the defendant in any and all criminal proceedings. The defendant waives any rights which might be asserted under the United States Constitution, any statute, Federal Rule of Criminal Procedure 11(f), Federal Rule of Evidence 410, or any other federal rule that pertains to the admissibility of any statements made by the defendant subsequent to this plea agreement.

6. Sentence to be Determined by the Court. The defendant understands that the sentence to be imposed will be determined solely by the United States District Judge. The United States cannot and has not made any promise or representation as to what sentence the defendant will receive.

7. Information Provided by Defendant. The United States agrees not to use new information the defendant provides about the defendant's own criminal conduct except as specifically authorized by U.S.S.G. § 1B1.8. As such, this information may be revealed to the Court but may not be used against the defendant in determining the defendant's applicable

guideline range or departing above his guideline range. Defendant understands and agrees, however, that under U.S.S.G. § 1B1.8, there shall be no such restrictions on the use of the information: (1) previously known to the United States; (2) revealed to the United States by, or discoverable through, an independent source; (3) in a prosecution for perjury or giving a false statement; (4) in the event there is a breach of this agreement; or (5) in determining whether and to what extent a downward departure as a result of a government motion pursuant to Title 18, U.S.C. § 3553(e) and U.S.S.G. § 5K1.1 is warranted.

8. Identification of Assets. The defendant agrees to disclose to law enforcement officials the existence and status of all monies, property or assets, of any kind, derived from or acquired as a result of, or used to facilitate the commission of the crimes charged. The defendant agrees to deliver to the United States of America, prior to sentencing, a completed financial statement identifying all of the defendant's assets. The defendant further agrees to prevent the disbursement of any monies, property or assets derived from the crimes charged. If the defendant fails to comply with this provision the United States is relieved of its obligation to recommend a sentencing reduction for Acceptance of Responsibility pursuant to § 3E1.1 or any other sentencing recommendations contained in this agreement.

9. Withdrawal of Plea Not Permitted. The defendant understands that if the court accepts this plea agreement but imposes a sentence with which the defendant does not agree, the defendant will not be permitted to withdraw this plea of guilty.

10. Payment of Special Assessment. The defendant understands that a mandatory special assessment of \$100 per count of conviction will be entered against the defendant at the time of sentencing. The defendant agrees to deliver to the clerk of the court payment in the

appropriate amount no later than the day of plea. If the defendant fails to make full payment of the special assessment the United States will no longer be bound by the provisions contained in Section 5(b) of this agreement. The burden of establishing an inability to pay the required special assessment lies with the defendant.

11. Waiver of Appeal and Collateral Attack. Defendant knowingly and voluntarily waives any right to appeal or collaterally attack any matter in connection with this prosecution, conviction and sentence. The defendant is aware that Title 18, U.S.C. § 3742 affords a defendant the right to appeal the conviction and sentence imposed. By entering into this agreement, the defendant knowingly waives any right to appeal a sentence imposed which is within the guideline range determined appropriate by the court. The defendant also waives any right to challenge a sentence or otherwise attempt to modify or change his sentence or manner in which it was determined in any collateral attack, including, but not limited to, a motion brought under Title 28, U.S.C. § 2255 [except as limited by *United States v. Cockerham*, 237 F.3d 1179, 1187 (10th Cir. 2001)], a motion brought under Title 18, U.S.C. § 3582(c)(2) and a motion brought under Fed. Rule of Civ. Pro 60(b). In other words, the defendant waives the right to appeal the sentence imposed in this case except to the extent, if any, the court departs upwards from the applicable sentencing guideline range determined by the court. However, if the United States exercises its right to appeal the sentence imposed as authorized by Title 18, U.S.C. § 3742(b), the defendant is released from this waiver and may appeal the sentence received as authorized by Title 18, U.S.C. § 3742(a). Notwithstanding the forgoing waivers, the parties understand that the defendant in no way waives any subsequent claims with regards to ineffective assistance of counsel or prosecutorial misconduct

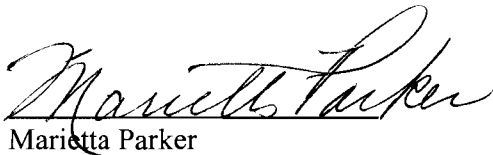
12. **Waiver of FOIA Request.** The defendant waives all rights, whether asserted directly or by a representative, to request or receive from any department or agency of the United States any records pertaining to the investigation or prosecution of this case including, without limitation, any records that may be sought under the Freedom of Information Act, Title 5, U.S.C. § 552, or the Privacy Act of 1974, Title 5, U.S.C. § 552a.

13. **Waiver of Claim for Attorney's Fees.** The defendant waives all claims under the Hyde Amendment, Title 18, U.S.C. § 3006A, for attorneys fees and other litigation expenses arising out of the investigation or prosecution of this matter.

14. **Full Disclosure by United States.** The defendant understands the United States will provide to the court and the United States Probation Office all information it deems relevant to determining the appropriate sentence in this case. This may include information concerning the background, character, and conduct of the defendant including the entirety of the defendant's criminal activities. The defendant understands these disclosures are not limited to the count to which the defendant has pled guilty. The United States may respond to comments made or positions taken by the defendant or defendant's counsel and to correct any misstatements or inaccuracies. The United States further reserves its right to make any recommendations it deems appropriate regarding the disposition of this case, subject only to any limitations set forth in this plea agreement. The defendant also has the right to provide information concerning the offense and to make recommendations to the court and the United States Probation Office.

15. **Parties to the Agreement.** The defendant understands this plea agreement binds only the defendant and the United States Attorney for the District of Kansas, and that it does not bind any other federal, state, or local prosecution authority.

16. **No Other Agreements.** The defendant has had sufficient time to discuss this case, the evidence, and this agreement with the defendant's attorney and defendant is fully satisfied with the advice and representation provided by defendant's counsel. Further, the defendant acknowledges that he has read the plea agreement, understands it and agrees it is true and accurate and not the result of any threats, duress or coercion. The defendant further understands that this plea agreement supersedes any and all other agreements or negotiations between the parties, and that this agreement embodies each and every term of the agreement between the parties. The defendant acknowledges that the defendant is entering into this agreement and is pleading guilty because the defendant is guilty and is doing so freely and voluntarily.



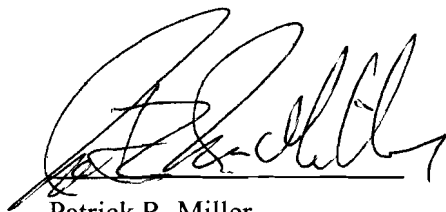
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Ks.Dist..Ct. #77807

Date: October 13, 2009



Kara Robinson-Franks
a/k/a Kara E. Garrett
Defendant

Date: 10-13-09

A handwritten signature in black ink, appearing to read 'P. Miller', written over a horizontal line.

Date: 10/13/09

Patrick R. Miller
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