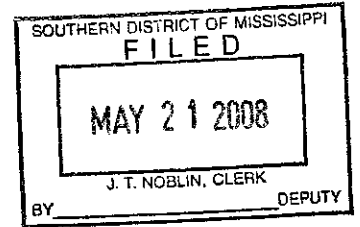


IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI
JACKSON DIVISION



UNITED STATES OF AMERICA

v.

CRIMINAL NO. 3108LD77: DFJ-JCS

MARK J. CALHOUN and
APRIL CALHOUN

18 U.S.C. § 1343
18 U.S.C. § 1956(h)
18 U.S.C. § 1956(a)(1)(A)(i)
18 U.S.C. § 982(a)(1)

The Grand Jury charges:

At all times relevant to this indictment:

1. Defendants **MARK J. CALHOUN** (hereinafter "**M. CALHOUN**") and **APRIL CALHOUN** (hereinafter "**A. CALHOUN**") were mortgage brokers engaged in the business of obtaining loans for borrowers with various lenders for a fee.

2. Defendant **M. CALHOUN** was working as a mortgage broker in Hinds, Rankin, and Madison Counties in the Jackson Division of the Southern District of Mississippi and elsewhere, either as an employee of Professional Mortgage Consultants Corporation (hereinafter "PMCC") or operating as New World Mortgage d/b/a Silver Cross Financial Group, LLC.

3. Defendant **A. CALHOUN** was working as a mortgage broker in Hinds, Rankin, and Madison Counties in the Jackson Division of the Southern District of Mississippi and elsewhere, as an employee of New World Mortgage d/b/a Silver Cross Financial Group, LLC.

4. Defendant **M. CALHOUN** incorporated and operated Fast Start Mortgage, Inc.

5. Defendant **A. CALHOUN** was the owner and manager of M & C Investments, LLC.

COUNTS 1- 12

6. Beginning on or about September, 2004, and continuing through July, 2006, in Hinds County, in the Jackson Division of the Southern District of Mississippi and elsewhere, the defendant **MARK J. CALHOUN** aided and abetted by others known and unknown to the Grand Jury, knowingly and intentionally devised, intended to devise and carried out and attempted to carry out a scheme to defraud mortgage loan borrowers and lenders and to obtain money by materially false and fraudulent pretenses, representations and promises.

7. It was part of the scheme that defendant **M. CALHOUN** and others would broker mortgages for a fee by obtaining new mortgages for borrowers through various lenders.

8. It was a part of the scheme that defendant **M. CALHOUN** and others would recruit persons to purchase homes as “investors” for the purpose of immediately leasing said properties to various tenants identified and selected by defendant **M. CALHOUN** and others.

9. To fund the acquisition of the homes, it was part of the scheme that defendant **M. CALHOUN**, and others would obtain basic information from the prospective borrowers and thereafter match them with mortgage lenders by preparing the loan application and supporting documents for each borrower and submitting the completed loan application package to a lender, all for a fee. No fee was paid to defendant **M. CALHOUN** unless he was successful in obtaining a loan for the prospective borrower.

10. Thereafter, in order to qualify the borrower for the mortgage, defendant **M. CALHOUN** or others acting at his direction, would enter false information onto the loan application forms in an effort to induce the lender to make the loan. The false information typically included, but was not limited to, representations that the prospective borrower was applying for a residential

mortgage loan as a primary residence, when in fact defendant **M. CALHOUN** knew that the borrower sought funding to acquire the residence as a rental property. In some occasions defendant **M. CALHOUN** falsely concealed the borrower's existing or pending financial liability for other mortgage loans to purchase other rental properties.

11. It was a part of the scheme that defendant **M. CALHOUN** and others would prepare false and fictitious documents to support the false information contained on the loan application and to insure that lenders would make mortgage loans to prospective borrowers. These documents included, but are not limited to, false verification of employment ("VOE") documents; false residential lease agreements; false documents verifying a borrower's income and liabilities; and false creditor invoices. The false and fictitious documents, along with the loan application containing false information, would be included in each loan application packet submitted by defendant **M. CALHOUN** and others to potential lenders.

12. It was further a part of the scheme that defendant **M. CALHOUN** and others would falsely list that the borrower would provide cash at closing or had funds for the down payment on the loan application. By falsely and fraudulently making it appear that certain buyers would provide cash at closing or had made their own down payments, defendant **M. CALHOUN** created the appearance of qualified and secured mortgages, thus making the mortgages more marketable to a mortgage investor.

13. It was further a part of the scheme that defendant **M. CALHOUN** and others would create fictitious creditors to which borrowers allegedly were indebted when in fact no such debt was owed. These fictitious creditors, including but not limited to Fast Start Mortgage, Inc., and M & C Investments, LLC, would be listed along with legitimate creditors on the HUD-1 Settlement

Statement, or an attachment thereto, so that the closing agent would disburse proceeds of the loan to the fictitious creditor. These funds for fraudulently invoiced construction, management, marketing, and consultant fees were then given to defendant **M. CALHOUN** and others, who would convert those funds to their own use and benefit to the detriment of the borrowers and the lenders.

14. It was further a part of the scheme that from September, 2004, through July, 2006, defendant **M. CALHOUN** and others successfully obtained approximately 40 mortgage loans totaling over \$8.5 million by creating false documentation and making false entries on documents submitted to the lenders to obtain the loans. Defendant **M. CALHOUN** used private and commercial carriers and interstate wires, either by means of facsimiles or by causing funds to be wire transferred to financial institutions, to accomplish the purposes of the scheme.

15. For the purpose of executing the scheme and in furtherance of the scheme, defendant **M. CALHOUN**, aided and abetted by others known and unknown to the grand jury, did cause to be transmitted by means of wire or radio communications in interstate commerce, certain writings, signals or sounds. These transmissions in interstate commerce consisted of funds wired into Trustmark National Bank Account Numbers XXX-XXX-9042, XXX-XX-8631, and XXX-XX-2095, located in the Jackson Division of the Southern District of Mississippi, from places outside of Mississippi, on or about the dates set forth below:

<u>COUNT</u>	<u>DATE</u>	<u>DESCRIPTION</u>
1	10/07/2004	approximately \$46,930.76 wired into Trustmark National Bank to fund a mortgage loan for Borrower # 1
2	05/25/2005	approximately \$344,450.50 wired into Trustmark National Bank to fund a mortgage loan for Borrower #9

- 3 06/16/2005 approximately \$113,952.42 wired into Trustmark National Bank to fund a mortgage loan for Borrower #9
- 4 11/04/2005 approximately \$360,648.82 wired into Trustmark National Bank to fund a mortgage loan for Borrower #11
- 5 11/10/2005 approximately \$343,366.02 wired into Trustmark National Bank to fund a mortgage loan for Borrower #8
- 6 01/12/2006 approximately \$188,406.80 wired into Trustmark National Bank to fund a mortgage loan for Borrower #8
- 7 02/17/2006 approximately \$393,147.60 wired into Trustmark National Bank to fund a mortgage loan for Borrower #5
- 8 02/28/2006 approximately \$324,000.00 wired into Trustmark National Bank to fund a mortgage loan for Borrower #12
- 9 03/20/2006 approximately \$231,600.00 wired into Trustmark National Bank to fund a mortgage loan for Borrower #5
- 10 03/29/2006 approximately \$381,609.82 wired into Trustmark National Bank to fund a mortgage loan for Borrower #12
- 11 04/03/2006 approximately \$285,811.17 wired into Trustmark National Bank to fund a mortgage loan for Borrower #14
- 12 04/25/2006 approximately \$269,835.90 wired into Trustmark National Bank to fund a mortgage loan for Borrower #14

All in violation of Sections 1343 and 2, Title 18, United States Code.

COUNT 13

16. The allegations contained in paragraphs 1-5 and 7-15 of this indictment are hereby realleged and incorporated herein as if fully set forth in this paragraph.

17. Beginning on or about November, 2005, and continuing through July, 2006, in Hinds County, in the Jackson Division of the Southern District of Mississippi and elsewhere, the defendants, **MARK J. CALHOUN** and **APRIL CALHOUN** did knowingly conspire with each

other and other persons both known and unknown to the Grand Jury to commit the following offenses against the United States:

to conduct and attempt to conduct financial transactions affecting interstate commerce, which transactions involved the proceeds of specified unlawful activity, that is, wire fraud, with the intent to promote the carrying on of such specified unlawful activity, in violation of Section 1956(a)(1)(A)(i), Title 18, United States Code;

18. It was the object of the conspiracy for the co-conspirators to use lenders' and borrowers' money, which was derived from wire fraud, to conduct various financial transactions which would enrich themselves to the detriment of the lenders and borrowers by converting some of the proceeds of mortgage loans to their own use and benefit.

19. It was further a part of the conspiracy that an unindicted co-conspirator would disburse funds to defendants **M. CALHOUN** and **A. CALHOUN** through Silver Cross Financial Group, LLC, representing mortgage broker fees for each of the fraudulently obtained loans to induce defendants **M. CALHOUN** and **A. CALHOUN** to continue their participation in the conspiracy.

20. It was a part of the conspiracy that defendants **M. CALHOUN** and **A. CALHOUN** created and submitted to an unindicted co-conspirator fraudulent invoices on behalf of fictitious creditors, including but not limited to Fast Start Mortgage, Inc., and M & C Investments, LLC, purporting to recover construction, management, marketing, and consultant fees.

21. It was further a part of the conspiracy that an unindicted co-conspirator would disburse funds from the proceeds of some of the fraudulently obtained loans to defendants **M. CALHOUN** and **A. CALHOUN** through Fast Start Mortgage, Inc., and M & C Investments, LLC, being fictitious creditors to induce them to continue their participation in the conspiracy.

In furtherance of the unlawful money laundering conspiracy and in order to accomplish the objectives thereof, the following overt acts, among others, were committed:

22. On or about November 11, 2005, an unindicted co-conspirator disbursed funds to M & C Investments, LLC, for approximately \$65,196.90 out of the proceeds of a mortgage loan to Borrower #8.

23. On or about February 17, 2006, an unindicted co-conspirator disbursed funds to M & C Investments, LLC, for approximately \$58,194.00 out of the proceeds of a mortgage loan to Borrower #5.

24. On or about March 3, 2006, an unindicted co-conspirator disbursed funds to M & C Investments, LLC, for approximately \$64,859.81 out of the proceeds of a mortgage loan to Borrower #12.

25. On or about March 29, 2006, an unindicted co-conspirator disbursed funds to M & C Investments, LLC, for approximately \$46,701.25 out of the proceeds of a mortgage loan to Borrower #12.

26. On or about April 4, 2006, an unindicted co-conspirator disbursed funds to M & C Investments, LLC, for approximately \$55,485.04 out of the proceeds of a mortgage loan to Borrower #14.

27. On or about April 27, 2006, an unindicted co-conspirator disbursed funds to M & C Investments, LLC, for approximately \$41,715.05 out of the proceeds of a mortgage loan to Borrower #14.

All in violation of Section 1956(h), Title 18, United States Code.

COUNTS 14-21

28. The allegations contained in paragraphs 1-5, 7-15, 18-21, and 22-27 of this indictment are hereby realleged and incorporated herein as constituting and describing the scheme and artifice to defraud from which the proceeds to participate in these money laundering transactions were derived.

29. On or about the dates set forth below, in Hinds County, in the Jackson Division of the Southern District of Mississippi and elsewhere, defendants **MARK J. CALHOUN** and **APRIL CALHOUN**, together with others known and unknown to the Grand Jury, did knowingly conduct and attempt to conduct the following financial transactions affecting interstate commerce, which transactions involved the proceeds of specified unlawful activity, that is, wire fraud, with the intent to promote the carrying on of such specified unlawful activity, and that while conducting and attempting to conduct such financial transactions, knew that the property involved in the financial transactions, that is funds, represented the proceeds of some form of unlawful activity:

<u>COUNT</u>	<u>DATE</u>	<u>BORROWER #</u>	<u>APPROX. AMOUNT</u>
14	11/11/2005	8	\$65,196.90
15	11/14/2005	8	\$62,000.00
16	02/17/2006	5	\$58,194.00
17	03/03/2006	12	\$64,859.81
18	03/29/2006	12	\$46,701.25
19	04/04/2006	14	\$55,485.04
20	04/27/2006	14	\$41,715.05
21	05/02/2006	14	\$15,409.00

All in violation of Sections 1956(a)(1)(A)(i) and 2, Title 18, United States Code.

COUNTS 22-25

30. The allegations contained in paragraphs 1-5, 7-15 and 18-21 of this indictment are hereby realleged and incorporated herein as constituting and describing the scheme and artifice to defraud from which the proceeds to participate in these money laundering transactions was derived.

31. On or about the dates set forth below, in Hinds County, in the Jackson Division of the Southern District of Mississippi and elsewhere, defendant **MARK J. CALHOUN**, together with others known and unknown to the Grand Jury, did knowingly conduct and attempt to conduct the following financial transactions affecting interstate commerce, which transactions involved the proceeds of specified unlawful activity, that is, wire fraud, with the intent to promote the carrying on of such specified unlawful activity, and that while conducting and attempting to conduct such financial transactions, knew that the property involved in the financial transactions, that is funds, represented the proceeds of some form of unlawful activity :

<u>COUNT</u>	<u>DATE</u>	<u>BORROWER #</u>	<u>APPROX. AMOUNT</u>
22	5/26/2005	9	\$320,000.00
23	5/26/2005	9	\$30,000.00
24	6/17/2005	9	\$29,510.69
25	11/04/2005	11	\$55,642.52

All in violation of Sections 1956(a)(1)(A)(i) and 2, Title 18, United States Code.

NOTICE OF FORFEITURE

32. As a result of the offenses alleged in Counts 13 through 25, the defendants, **MARK J. CALHOUN** and **APRIL CALHOUN**, shall forfeit to the United States all property, real and personal, involved in the aforesaid offenses and all property traceable to such property, including but not limited to:

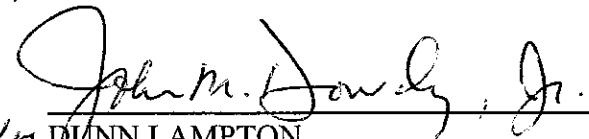
a. Approximately **\$8.5 million** in United States Currency and all interest and proceeds thereto, in that such sum in aggregate is property which was involved in the aforesaid offenses or is traceable to such property, in violation of Sections 982 and 1956, Title 18, United States Code.

b. If any of the property described above as being subject to forfeiture, as a result of any act or omission of any defendant –

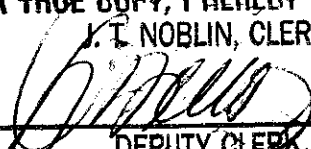
- (1) Cannot be located upon the exercise of due diligence;
- (2) Has been transferred or sold to or deposited with a third person;
- (3) Has been placed beyond the jurisdiction of the Court;
- (4) Has been substantially diminished in value; or
- (5) Has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Section 982(b)(1) Title 18, United States Code, to seek forfeiture of any other property of said defendant up to the value of the above forfeitable property, that is approximately **\$8.5 million**.

All pursuant to Section 982(a)(1), Title 18, United States Code.


for DUNN LAMPTON
United States Attorney

A TRUE BILL:
Signature Redacted
Foreperson of the Grand Jury

A TRUE COPY, I HEREBY CERTIFY.
J. T. NOBLIN, CLERK
BY: 
DEPUTY CLERK

3:08cr77DPJ-JCS

CRIMINAL CASE COVER SHEET

U.S. District Court

PLACE OF OFFENSE:

CITY: JACKSON

COUNTY: HINDS

RELATED CASE INFORMATION:

SUPERSEDING INDICTMENT DOCKET #

SAME DEFENDANT NEW DEFENDANT

MAGISTRATE JUDGE CASE NUMBER

SEARCH WARRANT CASE NUMBER

R 20/ R 40 FROM DISTRICT OF

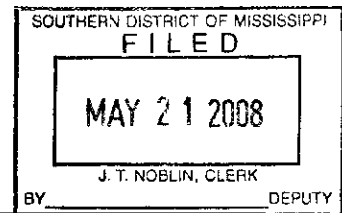
DEFENDANT INFORMATION:

JUVENILE: YES X NO

MATTER TO BE SEALED: YES X NO

NAME/ALIAS: MARK J. CALHOUN

SEX MALE RACE NATIONALITY:



U.S. ATTORNEY INFORMATION:

AUSA CARLA J. CLARK BAR # 9490

INTERPRETER: X NO YES LIST LANGUAGE AND/OR DIALECT:

LOCATION STATUS: ARREST DATE

ALREADY IN FEDERAL CUSTODY AS OF

ALREADY IN STATE CUSTODY

ON PRETRIAL RELEASE

U.S.C. CITATIONS

TOTAL # OF COUNTS: 25 PETTY MISDEMEANOR 25 FELONY

Table with 4 columns: (CLERK'S OFFICE USE ONLY), INDEX KEY/CODE, DESCRIPTION OF OFFENSE CHARGED, COUNT(S). Rows include Set 1 (18:1343.F, 18 U.S.C. 1343, Fraud by Wire, Radio or Television, 1-12), Set 2 (18:1956-4999.F, 18 U.S.C. 1956(h), Money Laundering-Fraud Other, 13), Set 3 (18:1956-4700.F, 18 U.S.C. 1956(a)(1)(A)(i), Interstate, Wire, Radio, Etc., 14-25).

Date: 5/15/08

SIGNATURE OF AUSA: [Handwritten Signature]

3:08cr77 DPJ-JCS

CRIMINAL CASE COVER SHEET

U.S. District Court
PLACE OF OFFENSE:

RELATED CASE INFORMATION:

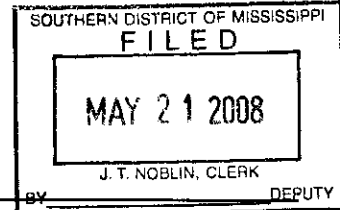
CITY: JACKSON
COUNTY: HINDS

SUPERSEDING INDICTMENT _____ DOCKET # _____
SAME DEFENDANT _____ NEW DEFENDANT _____
MAGISTRATE JUDGE CASE NUMBER _____
SEARCH WARRANT CASE NUMBER _____
R 20/ R 40 FROM DISTRICT OF _____

DEFENDANT INFORMATION:

JUVENILE: Yes No
MATTER TO BE SEALED: YES NO

NAME/ALIAS: APRIL CALHOUN



SEX FEMALE RACE _____ NATIONALITY: _____

U.S. ATTORNEY INFORMATION:

AUSA CARLA J. CLARK BAR # 9490

INTERPRETER: X No YES LIST LANGUAGE AND/OR DIALECT: _____

LOCATION STATUS: ARREST DATE _____

ALREADY IN FEDERAL CUSTODY AS OF _____
ALREADY IN STATE CUSTODY _____
ON PRETRIAL RELEASE _____

U.S.C. CITATIONS

TOTAL # OF COUNTS: 9 PETTY MISDEMEANOR 9 FELONY

(CLERK'S OFFICE USE ONLY)	INDEX KEY/CODE	DESCRIPTION OF OFFENSE CHARGED	COUNT(S)
Set 1	18:1956-4999.F	18 U.S.C. 1956(h) Money Laundering-Fraud Other	13
Set 2	18:1956-4700.F	18 U.S.C. 1956(a)(1)(A)(i) Money-Laundering-Postal, Interstate, Wire, Radio, Etc.	14-21
Set 3			

Date: 5/15/08

SIGNATURE OF AUSA: *Carla J. Clark*