

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF KENTUCKY  
AT LOUISVILLE

MAY 02 2006  
U.S. DISTRICT COURT  
WEST'N. DIST. KENTUCKY

UNITED STATES OF AMERICA

INDICTMENT

v.

NO. 3:06CR-75-S  
18 U.S.C. § 371  
18 U.S.C. § 1343

**DEAN SEXTON**

The Grand Jury charges:

Count 1

1. In or between January 2000 and continuing until August 2002 in the Western District of Kentucky, Jefferson County, Kentucky, **DEAN SEXTON**, the defendant herein, did conspire, confederate and agree with others, both known and unknown to the Grand Jury, to commit the following offense against the United States, that is: they intentionally devised a scheme and artifice to defraud various residential mortgage lenders by means of false and fraudulent pretenses, representations, and promises, and for the purpose of executing such a scheme, and attempting to do so, caused certain wire transfers to be transmitted in interstate commerce, in violation of Title 18, United States Code, Section 1343.

Manner and Means

2. It was part of the conspiracy that **DEAN SEXTON** used his position as a closing attorney to make false representations to

out-of-state lenders in order to induce the lenders to fund, via wire transfer, residential mortgage loans. During each mortgage loan transaction, the lenders relied on the false information provided to them by **DEAN SEXTON** and his co-conspirators and transferred loan funds, via wire transfer, into escrow bank accounts.

3. It was part of the conspiracy that defendant **DEAN SEXTON** and other unnamed co-conspirators caused borrower loan applications to be completed that contained false and fraudulent information regarding the borrower's employment, income, assets, down payment, and credit information.

4. It was further part of the conspiracy that **DEAN SEXTON** provided the out-of-state lenders with HUD-1 closing statements that contained false representations. The false representations included, among others, down payment information and buyers paid expense information.

5. It was further part of the conspiracy that **DEAN SEXTON** concealed the existence of prior mortgages and liens from the out-of-state lenders.

6. It was further part of the conspiracy that **DEAN SEXTON** concealed the existence of ongoing foreclosure proceedings from the out-of-state lenders.

Overt Acts

7. In furtherance of the conspiracy, and in order to effect the object thereof, the defendant **DEAN SEXTON** and other unnamed co-conspirators committed the following overt acts, among others:

8. From at least June 2000 and continuing until August 2002 **DEAN SEXTON** and his co-conspirators submitted false information to out-of-state mortgage lenders in order to induce them to fund residential mortgage loans via wire transfers. More particularly, during this period, while working as a closing attorney, **DEAN SEXTON** falsely represented to the lenders that buyers made payments at closings when in fact they did not. **DEAN SEXTON** made these false representations in a number of transactions in which he acted as the closing attorney, including, but not limited to, the following transactions:

<u>Date</u>	<u>Property</u>	<u>Loan Amt.</u>	<u>Amount Falsely Represented As Paid by Buyer</u>
03/28/01	2041 Bashford Manor Ln.	\$139,500	\$20,733.65
06/06/01	4131 West Broadway	\$121,500	\$19,918.89
06/25/01	619 S. 41st St.	\$116,000	\$37,375.00
08/07/01	3505 Muhammad Ali Blvd.	\$ 96,210	\$19,271.38
09/25/01	2019 Woodland Ave.	\$ 72,250	\$20,040.45
09/20/01	618 S. 41st St.	\$ 88,000	\$29,283.80
10/23/01	404 N. 38th St.	\$ 72,000	\$10,023.14
11/14/01	3231 Greenwood Ave.	\$ 69,300	\$10,042.11

<u>Date</u>	<u>Property</u>	<u>Loan Amt.</u>	<u>Amount Falsely Represented As Paid by Buyer</u>
01/10/02	3746 Greenwood Ave.	\$ 97,750	\$24,892.06
06/10/02	1364 Cypress St.	\$ 70,000	\$23,343.12
06/24/02	2113 Wilson Ave.	\$ 73,950	\$20,737.17
08/12/02	1026 Cecil Ave.	\$104,000	\$34,477.41

Each of these loans was funded by an out-of-state lender via wire transfer.

9. On or about January 16, 2001, **DEAN SEXTON**, while acting as the closing attorney, closed a loan on 2225 Strathmoor Lane, which was real estate actually owned by **DEAN SEXTON**. During the course of this loan transaction **DEAN SEXTON** and his co-conspirators made multiple false representations to conceal his ownership of the property and to induce the out-of-state lender, First Union National Bank of Delaware, to fund the loan in the amount of \$171,000 via a wire transfer. The false representations that **DEAN SEXTON** and his co-conspirators caused to be made to the lender included, among others, the following:

- a. A false contract for deed in the name of B.T.;
- b. A borrower loan application containing multiple misstatements; and
- c. False payment history of the buyer, B.T.;

10. On or about March 23, 2001, **DEAN SEXTON**, while acting as the closing attorney, closed a second loan on 2225 Strathmoor Lane.

During the course of this loan transaction **DEAN SEXTON** and his co-conspirators made multiple false representations to conceal his ownership of the property and to induce the out-of-state lender, Aames Funding Corporation, to fund the loan in the amount of \$83,300 via a wire transfer. The false representations that **DEAN SEXTON** and his co-conspirators caused to be made to the lender included, among others, the following:

- a. A false contract for deed in the name of B.T.;
- b. A borrower loan application containing multiple misstatements;
- c. False payment history of the buyer, B.T.; and
- d. False information concerning the first lien position of First Union National Bank of Delaware.

11. On or about May 29, 2001, **DEAN SEXTON**, while acting as the closing attorney, closed a loan on 6513 Ridge Cliff Road, which was real estate actually owned by **DEAN SEXTON**. During the course of this loan transaction **DEAN SEXTON** and his co-conspirators made multiple false representations to conceal his ownership of the property and to induce the out-of-state lender, Home Loan Corporation, to fund the loan in the amount of \$130,150 via a wire transfer. The false representations that **DEAN SEXTON** and his co-conspirators caused to be made to the lender included, among others, the following:

- a. The concealment of pending foreclosure actions; and

b. False payment history of the buyer, R.R..

12. On or about June 4, 2001, **DEAN SEXTON**, while acting as the closing attorney, closed a loan on 6513 Ridge Cliff Road, which was real estate actually owned by **DEAN SEXTON**. During the course of this loan transaction **DEAN SEXTON** and his co-conspirators made multiple false representations to conceal his ownership of the property and to induce the out-of-state lender, Mortgage Express, to fund the loan in the amount of \$84,000 via wire transfer. The false representations that **DEAN SEXTON** and his co-conspirators caused to be made to the lender included, among others, the following:

- a False payment history of the buyer, R.R.; and
- b. False information concerning the lien priority position of Mortgage Express.

All in violation of Title 18, United States Code, Section 371.

A TRUE BILL.

\_\_\_\_\_  
FOREPERSON

  
\_\_\_\_\_  
DAVID L. HUBER  
UNITED STATES ATTORNEY

DLH:BRC:vlp: 060418



### RESTITUTION

If you are convicted of an offense under Title 18, U.S.C., or under certain air piracy offenses, you may also be ordered to make restitution to any victim of the offense, in addition to, or in lieu of any other penalty authorized by law. 18 U.S.C. § 3663

### APPEAL

If you appeal your conviction and the sentence to pay your fine is stayed pending appeal, the court shall require:

1. That you deposit the entire fine amount (or the amount due under an installment schedule during the time of your appeal) in an escrow account with the U.S. District Court Clerk, or
2. Give bond for payment thereof.

18 U.S.C. § 3572(g)

### PAYMENTS

If you are ordered to make payments to the U.S. District Court Clerk's Office, certified checks or money orders should be made payable to the Clerk, U.S. District Court and delivered to the appropriate division office listed below:

LOUISVILLE: Clerk, U.S. District Court  
106 Gene Snyder U.S. Courthouse  
601 West Broadway  
Louisville, KY 40202  
502/625-3500

BOWLING GREEN: Clerk, U.S. District Court  
120 Federal Building  
241 East Main Street  
Bowling Green, KY 42101  
270/393-2500

OWENSBORO: Clerk, U.S. District Court  
126 Federal Building  
423 Frederica  
Owensboro, KY 42301  
270/689-4400

PADUCAH: Clerk, U.S. District Court  
127 Federal Building  
501 Broadway  
Paducah, KY 42001  
270/415-6400

If the court finds that you have the present ability to pay, an order may direct imprisonment until payment is made.

No. \_\_\_\_\_

**UNITED STATES DISTRICT COURT**  
Western District of Kentucky  
Louisville Division

**FILED**  
JEFFREYA. APPERSON, CLERK

MAY 02 2006

U.S. DISTRICT COURT  
WEST'N. DIST. KENTUCKY

THE UNITED STATES OF AMERICA  
vs.

DEAN SEXTON

**INDICTMENT**

**Title 18, U.S.C. §§ 371, 1343  
Conspiracy to Commit Mortgage Fraud by  
Making False Representations; Wire Fraud.**

*A true bill.*

\_\_\_\_\_  
Foreman

*Filed in open court this 2nd day,  
of May A.D. 2006.*

\_\_\_\_\_  
Clerk

*Bail, \$*