

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

**08-60296** CR-MARRA

18 USC 1349  
18 USC 1341  
18 USC 1343

**MAGISTRATE JUDGE  
VITUNAC**

**UNITED STATES OF AMERICA,**

v.

**BRIAN SCHLITZ,**

**Defendant.**

\_\_\_\_\_ /

**INFORMATION**

The United States Attorney charges that:

**COUNT 1 - CONSPIRACY TO COMMIT MORTGAGE FRAUD**  
**(Conspiracy: 18 USC 1349)**

**THE CONSPIRACY**

1. From in or about July 2006, to in or about December 2006, in Broward and Palm Beach Counties, in the Southern District of Florida, and elsewhere, the defendant,

**BRIAN SCHLITZ,**

did knowingly and willfully combine, conspire, confederate, and agree with others known to the United States Attorney to commit offenses against the United States, that is

a) to knowingly and willfully devise a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises,

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and for the purpose of executing, and attempting to execute, such scheme and artifice to knowingly cause to be transmitted, by means of wire communications in interstate and foreign commerce, certain writings, signs, signals, pictures and sounds, in violation of Title 18, United States Code, Section 1343 (Wire Fraud); and

b) to knowingly and willfully devise a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, and for the purpose of executing, and attempting to execute, such scheme and artifice to knowingly cause to be delivered by the United States Postal Service and by commercial interstate carrier, according to the directions thereon, certain matters and things, in violation of Title 18, United States Code, Section 1341 (Mail Fraud).

#### **OBJECT OF THE CONSPIRACY**

The purpose and object of the conspiracy was as follows:

2. The defendant **BRIAN SCHLITZ**, and his co-conspirators sought to unlawfully enrich themselves by making material misrepresentations of fact on mortgage applications to mortgage lenders to cause the interstate wire transfer of funds, a significant portion of which they would wrongfully divert to their personal use.

#### **MANNER AND MEANS**

3. The manner and means by which the defendant, **BRIAN SCHLITZ** and his co-conspirators sought to accomplish the objects of the conspiracy and the scheme and artifice to defraud included the following:

#### **Buy Your Property, Inc.**

4. Buy Your Property, Inc. ("Buy Your Property"), purported to be in the business of

“flipping” properties by buying them, making improvements to them, and then selling them at a profit. Buy Your Property was incorporated on or about June 17, 2005, with a principal address in Riviera Beach, Florida.

**Flip Them Fast Investment Group, Inc.**

5. Flip Them Fast Investment Group, Inc. (“Flip Them Fast”), purported to be in the business of “flipping” properties by buying them, making improvements to them, and then selling them at a profit. Flip Them Fast succeeded Buy Your Property and was operated simultaneously with that company. Flip Them Fast was incorporated on or about October 3, 2006, with a principal address in Plantation, Florida.

6. The defendant, **BRIAN SCHLITZ**, and his co-conspirators utilized the companies Buy Your Property and Flip Them Fast in order to engage in the submission of misleading and fraudulent information to mortgage lenders as a means of gaining additional fraudulent income.

7. The false material information being submitted to the mortgage lenders pertaining to loan applications for the purchase of residential properties consisted of such things as the submission of a false or “nominee” owner of the residential property to be purchased.

8. The false material information being submitted to the mortgage lenders also consisted of false verifications of employment, deposit, and income information for the purported purchaser of the property.

9. The false material information being submitted to the mortgage lenders would also sometimes consist of the purported purchaser of the property falsely claiming the property to be his or her intended primary residence.

10. As a result of the submission of material false information to the mortgage lenders, the

defendant, **BRIAN SCHLITZ**, and his co-conspirators would cause the interstate transmission of funds by the mortgage lenders.

**OVERT ACTS**

11. In furtherance of the conspiracy and to effect the objects thereof, the following overt acts, among others, were committed in Broward and Palm Beach Counties, in the Southern District of Florida, and elsewhere, by at least one co-conspirator:

A. On or about July 20, 2006, relating to the residential property at 10040 NW 62 Street, Parkland Florida, the conspirators caused the wire transfer of approximately \$620,450 on behalf of American Mortgage Network into the state of Florida.

B. On or about July 20, 2006, relating to the residential property at 10040 NW 62 Street, Parkland Florida, the conspirators caused the wire transfer of approximately \$150,979 on behalf of American Mortgage Network into the state of Florida.

C. On or about September 22, 2006, relating to the residential property at 14198 Biddix Road, Loxahatchee, Florida, the conspirators caused the wire transfer of approximately \$536,981 on behalf of American Mortgage Network into the state of Florida.

D. On or about September 22, 2006, relating to the residential property at 14198 Biddix Road, Loxahatchee, Florida, the conspirators caused the wire transfer of approximately \$133, 586 on behalf of American Mortgage Network into the state of Florida.

E. On or about December 22, 2006, relating to the residential property at 8435 Governor's Way, Hobe Sound, Florida, the conspirators caused the wire transfer of approximately \$686,166 on behalf of American Mortgage Network into the state of Florida.

F. On or about December 22, 2006, relating to the residential property at 8435 Governor's

Way, Hobe Sound, Florida, the conspirators caused the wire transfer of approximately \$163,132 on behalf of American Mortgage Network into the state of Florida.

12. In total, the defendant, **BRIAN SCHLITZ**, caused mortgage lenders to fund over \$3.5 million in mortgages based upon material false and fraudulent misinformation provided on and in connection with the mortgage applications through his companies Buy Your Property and Flip Them Fast.

All in violation of Title 18, United States Code, Section 1349.

**COUNT 2 - CONSPIRACY TO COMMIT INVESTMENT FRAUD**  
**(Conspiracy: 18 USC 1349)**

**THE CONSPIRACY**

13. From at least in or about April 2007, through in or about July 2007, in Palm Beach County in the Southern District of Florida and elsewhere, the defendant,

**BRIAN SCHLITZ,**

did knowingly and willfully combine, conspire, confederate, and agree with persons known and unknown to the United States Attorney to commit offenses against the United States of America, that is:

a.. to devise and intend to devise a scheme and artifice to defraud and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, for the purpose of executing, and attempting to execute, such scheme and artifice to defraud and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, to knowingly cause to be delivered by mail and by commercial

interstate carrier according to the directions thereon, certain matters and things, in violation of Title 18, United States Code, Section 1341 (Mail Fraud); and

b. to devise and intend to devise a scheme and artifice to defraud and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, for the purpose of executing, and attempting to execute, such scheme and artifice to defraud and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, to knowingly transmit and cause to be transmitted by means of wire communication in interstate and foreign commerce, certain signs, signals, and sounds, in violation of Title 18, United States Code, Section 1343 (Wire Fraud).

#### **GENERAL ALLEGATIONS**

At all times relevant to this Information:

14. First Financial Strategies, LLC, was a Florida corporation with an office in Delray Beach, Florida.

15. Bank of America was a financial institution with branch offices located throughout the United States, including the Southern District of Florida. First Financial Strategies, LLC (First Financial Strategies), maintained a checking account at a Bank of America branch in the Southern District of Florida.

16. Hema Diagnostic Systems (Hema) was a privately held corporation with its principal address in Miami-Dade County in the Southern District of Florida.

#### **OBJECT OF THE CONSPIRACY**

17. The purpose and object of the conspiracy was to enrich defendant **BRIAN SCHLITZ** and his co-conspirators by illegally obtaining money from investors and converting the investors'

money to their own use and benefit through the sale of shares in Hema.

**MANNER AND MEANS**

18. It was part of the conspiracy that on or about April 22, 2007, defendant **BRIAN SCHLITZ** met with co-conspirators and began discussing raising money for Hema.

19. It was further part of the conspiracy that on or about May 3, 2007, defendant **BRIAN SCHLITZ** and his co-conspirators met with the owners of Hema to discuss raising funds.

20. It was further part of the conspiracy that at the meeting on or about May 3, 2007, defendant **BRIAN SCHLITZ** and his co-conspirators discussed a possible sales commission for the conspirators of 10 percent of the funds raised, which would be paid partly in shares of Hema. Defendant **BRIAN SCHLITZ** and his co-conspirators obtained brochures from Hema, and the parties agreed to discuss further whether to enter into an agreement as to whether defendant **BRIAN SCHLITZ** and his co-conspirators should sell the shares in a private placement on behalf of Hema.

21. It was further part of the conspiracy that a co-conspirator formed First Financial Strategies utilizing as the purported owner a twenty-one year old who the co-conspirator induced to work at First Financial Strategies and to open a bank account at Bank of America on behalf of First Financial Strategies.

22. It was further part of the conspiracy that in or about May 2007, the co-conspirators, without the knowledge or consent of Hema, began calling persons outside the state of Florida in order to induce them to invest money in Hema and then sent interested investors by an overnight delivery service copies of the private placement memorandum and other materials about Hema.

23. It was further part of the conspiracy that the private placement memorandum was created or caused to be created by the co-conspirators without the knowledge or consent of Hema.

24. It was further part of the conspiracy that the private placement memorandum sent or caused to be sent by the co-conspirators to the investors contained numerous misrepresentations, including the description of the shareholders of common and preferred stock of Hema, as no common or preferred stock was available to the public.

25. It was further part of the conspiracy that, in order to obtain the names of persons who would be interested in investing in Hema, in or about May 2007, one of the co-conspirators contacted Federal Express and posed as an employee of a brokerage house and requested that Federal Express send him by facsimile the list of packages sent by Federal Express on behalf of that brokerage house.

26. It was further part of the conspiracy that the co-conspirators would tell the investors that Hema stock would trade between three and four dollars a share once the company went public.

27. It was further a part of the conspiracy that the co-conspirators would guarantee a return for the investor or they would pay the investor out of their own pocket.

28. It was further part of the conspiracy that once the investor sent money to First Financial Services the co-conspirators would induce investors to send additional funds by falsely stating that another investor had passed away and that the deceased investor's shares were available at half price.

29. It was further part of the conspiracy that the co-conspirators would direct investors to issue checks for payment of their shares in the private placement to HDS of FL, LLC, which purportedly stood for Hema Diagnostics of Florida, and as the defendant and his coconspirators well knew Hema had no knowledge or association with HDS of FL, LLC.

30. It was further part of the conspiracy that the co-conspirators induced investors through their misrepresentations to send funds by wire transfer and U.S. Mail from outside the state of

Florida to First Financial Strategies.

31. It was further part of the conspiracy that the co-conspirators would withdraw the funds received from investors in cash or would use the funds to pay personal expenses and that none of the funds went to Hema.

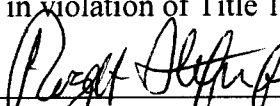
**OVERT ACTS**

32. In furtherance of the conspiracy and to achieve the purpose and object thereof, the defendant **BRIAN SCHLITZ**, and his co-conspirators, committed and caused to be committed in the Southern District of Florida and elsewhere, at least one of the following acts, among others:

A. On or about May 21, 2007, approximately \$3,500 was wire transferred into a bank account at Bank America in the Southern District of Florida from an investor in the state of Washington.

B. On or about June 4, 2007, approximately \$30,000 was wire transferred into a bank account of an associate of a co-conspirator at Citibank in the Southern District of Florida from an investor in Texas.

All in violation of Title 18, United States Code, Section 1349.

  
\_\_\_\_\_  
ALEXANDER R. ACOSTA  
UNITED STATES ATTORNEY

  
\_\_\_\_\_  
STEVEN R. PETRI  
ASSISTANT UNITED STATES ATTORNEY

  
\_\_\_\_\_  
HARRY WALLACE  
ASSISTANT UNITED STATES ATTORNEY

  
\_\_\_\_\_  
JEFFREY KAPLAN  
ASSISTANT UNITED STATES ATTORNEY

UNITED STATES OF AMERICA

CASE NO. \_\_\_\_\_

vs.

CERTIFICATE OF TRIAL ATTORNEY\*

BRIAN SCHLITZ,

Defendant.

\_\_\_\_\_ /

Superseding Case Information:

Court Division: (Select One)

New Defendant(s) Yes \_\_\_\_\_ No \_\_\_\_\_  
Number of New Defendants \_\_\_\_\_  
Total number of counts \_\_\_\_\_

\_\_\_\_\_ Miami \_\_\_\_\_ Key West  
X FTL \_\_\_\_\_ WPB \_\_\_\_\_ FTP

I do hereby certify that:

- 1. I have carefully considered the allegations of the indictment, the number of defendants, the number of probable witnesses and the legal complexities of the Indictment/Information attached hereto.
- 2. I am aware that the information supplied on this statement will be relied upon by the Judges of this Court in setting their calendars and scheduling criminal trials under the mandate of the Speedy Trial Act, Title 28 U.S.C. Section 3161.

3. Interpreter: (Yes or No) No  
List language and/or dialect \_\_\_\_\_

4. This case will take 0 days for the parties to try.

5. Please check appropriate category and type of offense listed below:  
(Check only one) (Check only one)

I	0 to 5 days	<u>X</u>	Petty	_____
II	6 to 10 days	_____	Minor	_____
III	11 to 20 days	_____	Misdem.	_____
IV	21 to 60 days	_____	Felony	<u>X</u>
V	61 days and over	_____		

6. Has this case been previously filed in this District Court? (Yes or No) No

If yes  
Judge: \_\_\_\_\_ Case No. \_\_\_\_\_


(Attach copy of dispositive order)  
Has a complaint been filed in this matter? (Yes or No) No

If yes:  
Magistrate Case No. \_\_\_\_\_  
Related Miscellaneous numbers: \_\_\_\_\_  
Defendant(s) in federal custody as of \_\_\_\_\_  
Defendant(s) in state custody as of \_\_\_\_\_  
Rule 20 from the \_\_\_\_\_ District of \_\_\_\_\_

Is this a potential death penalty case? (Yes or No) No

7. Does this case originate from a matter pending in the Northern Region of the U.S. Attorney's Office prior to October 14, 2003? \_\_\_\_\_ Yes X No

8. Does this case originate from a matter pending in the Narcotics Section (Miami) prior to May 18, 2003? \_\_\_\_\_ Yes X No

  
\_\_\_\_\_  
HARRY C. WALLACE, JR.  
ASSISTANT UNITED STATES ATTORNEY  
Florida Bar No. 0623946

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

PENALTY SHEET

Defendant's Name: BRIAN SCHLITZ

Case No:

Count #1: Conspiracy to Commit Wire and Mail Fraud

Title 18, United States Code, Sections 1343, 1341 and 1349

\* Max. Penalty: 20 years' imprisonment, 5 years' supervised release and \$250,000 fine

Count #2: Conspiracy to Commit Wire and Mail Fraud

Title 18, United States Code, Sections 1343, 1341 and 1349

\*Max. Penalty: 20 years' imprisonment, 5 years' supervised release and \$250,000 fine

Count # :

\*Max. Penalty:

Count #:

\*Max. Penalty:

**\*Refers only to possible term of incarceration, does not include possible fines, restitution, special assessments, parole terms or forfeitures that may be applicable.**

AUSA Harry C. Wallace, Jr.

AO 455 (Rev. 5/85) Waiver of Indictment

# United States District Court

SOUTHERN DISTRICT OF FLORIDA

## WAIVER OF INDICTMENT

UNITED STATES OF AMERICA

v.

CASE NUMBER:

**08-60296**

BRIAN SCHLITZ,

**CR-MARRA**

Defendant.

**MAGISTRATE JUDGE  
VITUNAC**

I, BRIAN SCHLITZ, the above named defendant, who is accused of two counts of conspiracy to commit wire and mail fraud, in violation of Title 18, United States Code, Sections 1343, 1341 and 1349,

being advised of the nature of the charge(s), the proposed information, and of my rights, hereby waive in open court on \_\_\_\_\_ prosecution by indictment and consent that the proceeding may be by information rather than by indictment.

*Date*

BRIAN SCHLITZ

*Defendant*

MICHAEL D. WALSH

*Counsel for Defendant*

Before \_\_\_\_\_

*Judicial Officer*