

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS

SHERMAN DIVISION

UNITED STATES OF AMERICA §
 §
V. § CRIMINAL NO. 4:09CR36
 § (Judge Crone)
REGINALD DAVIS §

INFORMATION

COUNT 1

Violation: 18 U.S.C. § 371
(Conspiracy to Commit Mail Fraud)

THE UNITED STATES ATTORNEY CHARGES THAT:

A. INTRODUCTION

At all times material to this indictment:

1. The "Real Estate Investor" was a person known to the Grand jury. The Real Estate Investor controlled bank accounts in the name of Global Map Corp., Global Map Property Group, and MP Renovation Co.

2. Federal Express was an interstate commercial carrier.

B. THE CONSPIRACY

4. From in or about, March 2005 through in or about October 2006, the defendant, REGINALD DAVIS ("DAVIS"), together with the Real Estate Investor and

others, both known and unknown to the Grand jury, did knowingly and willfully combine, conspire, confederate and agree together and with each other to devise a scheme and artifice to defraud and to obtain money and property from mortgage lenders by means of materially false and fraudulent pretenses, representations and promises, and for the purpose of executing the scheme and artifice:

a.) to knowingly send and deliver a matter and thing by private and interstate commercial carrier, a violation of Title 18, United States Code, Section 1341; and

C. THE OBJECT OF THE CONSPIRACY AND THE SCHEME AND ARTIFICE

5. It was the object of the conspiracy and the scheme and artifice that DAVIS and the Real Estate Investor would cause material false representations to be made to mortgage lenders in order to obtain mortgage loans for DAVIS to make real estate purchases that would financially benefit DAVIS and the Real Estate Investor.

D. THE MANNER AND MEANS OF THE CONSPIRACY AND THE SCHEME AND ARTIFICE

It was a part of the conspiracy and the scheme and artifice that:

THE SUNFLOWER PROPERTY

6. The Real Estate Investor found a property at 3941 Sunflower Lane, Plano, Texas, ("Sunflower property") that was advertised as "For Sale By Owner". The Real Estate Investor contacted the seller ("Seller") and offered to sell the property for the Seller, to a third party, in return for a commission of approximately \$30,500 from the

sales proceeds.

7. DAVIS and the Real Estate Investor agreed that DAVIS would purchase the Sunflower Property. The Real Estate Investor agreed to pay DAVIS a fee for making the purchase. In order to obtain approval of mortgage loans for DAVIS, DAVIS and the Real Estate Investor would knowingly cause materially false statements to be made to a mortgage lender, America's Wholesale Lender, in applications for mortgage loans to purchase the Sunflower Property. DAVIS and the Real Estate Investor caused the following material, false information to be submitted in the mortgage loan applications to for the Sunflower Property:

- a. DAVIS' income was substantially overstated;
- b. that DAVIS intended to occupy the residence as his primary residence;
- c. that DAVIS had \$6,500 in a savings account; and
- d. that DAVIS would be making the down payment for the purchase from funds he had in a checking or savings account.

8. The mortgage loan applications were approved and America's Wholesale Lender funded two loans, totaling approximately \$275,000. DAVIS attended the closing of the sales transaction and executed the mortgage loan documents. DAVIS also knowingly executed a document in which he represented that he would occupy the residence as his primary residence, which DAVIS knew was false.

9. DAVIS defaulted on the payment of the mortgage loan for the Sunflower property.

THE SAN GABRIEL PROPERTY

10. The Real Estate Investor and DAVIS agreed that DAVIS would purchase a residence the Real Estate Investor owned, which was located at 4315 San Gabriel Dr., Dallas, Texas ("San Gabriel Property") for the price of \$620,000. In order to obtain approval of mortgage loans for DAVIS to purchase the San Gabriel Property, DAVIS and the Real Estate Investor would knowingly cause materially false statements to be made to a mortgage lender, Long Beach Mortgage, Inc., in applications for mortgage loans to purchase the San Gabriel Property. DAVIS and the Real Estate Investor caused the following material false information to be submitted in the mortgage loan applications, or in conjunction with the mortgage loan applications, for the San Gabriel Property:

- a. DAVIS' monthly income was substantially overstated;
- b. that DAVIS was self employed as an audio engineer;
- c. that DAVIS had \$38,850 in an account at Hibernia National Bank;
- d. that the property at 3941 Sunflower was leased to a third party and that DAVIS was receiving rental payments under the lease;
- e. that the source of the downpayment would be money from DAVIS' checking and/or savings account; and
- f. that DAVIS intended to occupy the San Gabriel Property as his

primary residence.

11. The two purchase money mortgage loans were approved and Long Beach Mortgage funded two loans, totaling approximately \$620,000 to purchase the residence. DAVIS attended the closing of the sale transaction and executed mortgage loan documents. DAVIS also knowingly executed a document in which he represented that he would occupy the residence as his primary residence, which DAVIS knew was false.

12. The Real Estate Investor paid DAVIS approximately \$26,989 for making the real estate purchases.

13. DAVIS defaulted on the payment of the mortgage loans for the San Gabriel Property.

E. THE OVERT ACTS OF THE CONSPIRACY

On or about the following dates, in furtherance of the conspiracy, the conspirators committed and caused, among others, the following overt acts:

SUNFLOWER PROPERTY

14. In or about March 2005, the Real Estate Investor and DAVIS met in Collin County, Texas, within the Eastern District of Texas, to sign documents relating to the sale of the Sunflower Property to DAVIS.

15. In or about March 2005, the Real Estate Investor and DAVIS caused a fraudulent mortgage loan application to be submitted to America's Wholesale Lender in Plano, Texas, within the Eastern District of Texas, requesting a mortgage loan of

\$220,000.

16. In or about March 2005, the Real Estate Investor and DAVIS caused a fraudulent mortgage loan application to be submitted to America's Wholesale Lender in Plano, Texas, within the Eastern District of Texas, requesting a mortgage loan of \$55,000.

17. On or about March 24, 2005 in Plano, Texas, within the Eastern District of Texas, DAVIS attended the closing on the purchase of the residence at the Sunflower Property and executed loan documents to obtain the mortgage loans for the property.

18. On or about March 24, 2005, DAVIS and the Real Estate Investor caused a wire transfer of \$220,000 to be made from the State of New York to Plano, Texas within the Eastern District of Texas.

19. On or about March 24, 2005, DAVIS and the Real Estate Investor caused a wire transfer of \$55,000 to be made from the State of New York to Plano, Texas within the Eastern District of Texas.

20. On or about March 25, 2005, DAVIS and the Real Estate Investor caused a wire transfer in the amount of \$30,500 to be made from Richmond Title to a Hibernia bank account he controlled.

21. On or about March 28, 2005, at the West Plano Branch of Hibernia Bank, in Collin County, within the Eastern District of Texas, the Real Estate Investor purchased a cashier's check for \$11,289.77, made payable to Richmond Title, for payment of closing

costs on the Sunflower Property.

22. On or about March 30, 2005, DAVIS and the Real Estate Investor caused documents related to the purchase of the Sunflower Property to be transported, by Federal Express, from the office of Ayers & Flores, L.L.C., in Plano, Texas, within the Eastern District of Texas, to First Franklin Loan Service in Pittsburgh, Pennsylvania.

23. On or about April 14, 2005, DAVIS and the Real Estate Investor caused documents from the closing on the purchase of Sunflower Property to be transported by Federal Express from the office of Ayers & Flores, L.L.C., in Plano, Texas, to Countrywide Mortgage in Plano, Texas, both in Collin County, within the Eastern District of Texas.

24. On or about April 22, 2005, DAVIS and the Real Estate Investor caused the mortgage deed of trust and deed to the Sunflower Property to be transported by Federal Express to the Collin County Clerk's Office, Collin County, Texas, within the Eastern District of Texas.

SAN GABRIEL PROPERTY

25. In or about August 2005, DAVIS and the Real Estate Investor met in Collin County, Texas, within the Eastern District of Texas, to sign documents relating to the sale of the San Gabriel Property to DAVIS.

26. In or about August 2005, DAVIS and the Real Estate Investor caused a fraudulent mortgage loan application to be submitted to Long Beach Mortgage, Inc.,

requesting a mortgage loan of \$496,000.

27. In or about August 2005, DAVIS and the Real Estate Investor caused a fraudulent mortgage loan application to be submitted to Long Beach Mortgage, Inc., within the Eastern District of Texas, requesting a mortgage loan of \$124,000.

28. On or about August 31, 2005, DAVIS attended the closing on the purchase of the residence at San Gabriel Property and executed loan documents to obtain the mortgage loans for the property.

29. On or about August 31, 2005, a check from Reunion Title to Global Map Properties Group, in the amount of \$87,185.84 was deposited to a bank account controlled by the Real Estate Investor.

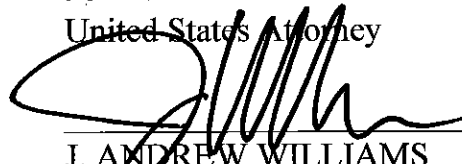
30. On or about September 6, 2005, at the West Plano Branch of Hibernia Bank, in Collin County, within the Eastern District of Texas, the Real Estate Investor purchased a cashier's check for \$11,989, made payable to DAVIS.

31. On or about September 6, 2005, at the West Plano Branch of Hibernia Bank, in Collin County, within the Eastern District of Texas, DAVIS negotiated a cashier's check for \$11,989 made payable to DAVIS.

32. On or about September 6, 2005, DAVIS received \$15,000 cash from the Real Estate Investor at a location in Collin County, Texas, within the Eastern District of Texas.

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

JOHN M. BALES
United States Attorney

A handwritten signature in black ink, appearing to read 'J. Andrew Williams', is written over a horizontal line.

J. ANDREW WILLIAMS
Assistant U. S. Attorney

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NOTICE OF PENALTY

COUNT 1

Violation: 18 U.S.C. § 371
 (Conspiracy to Commit Mail Fraud)

Penalty: A fine of not more than \$250,000, and/or
 imprisonment for not more than 5 years; and a
 term of supervised release of not more than 3
 years.

Special Assessment: \$100.00