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5/16/2012



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Rod J. Rosenstein
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Gregory R. Bockin
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May 16, 2012

Andrew C. White, Esq.
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Suite 2600
Baltimore, MD 21201

FILED ENTERED
LOBBED RECEIVED

JUN 29 2012

Re: *United States v. David C. Christian*
Criminal No. JKB-12-0285

AT BALTIMORE
CLERK U.S. DISTRICT COURT
DISTRICT OF MARYLAND
DEPUTY

Dear Mr. White:

This letter, together with the Sealed Supplement, confirms the plea agreement which has been offered to the Defendant by the United States Attorney's Office for the District of Maryland ("this Office"). If the Defendant accepts this offer, please have him execute it in the spaces provided below. If this offer has not been accepted by May 23, 2012, it will be deemed withdrawn. The terms of the agreement are as follows:

Offenses of Conviction

1. The Defendant agrees to waive indictment and plead guilty to a Criminal Information which will charge him with Conspiracy to Commit Wire Fraud, in violation of 18 U.S.C. § 1349. The Defendant admits that he is, in fact, guilty of that offense and will so advise the Court.

Elements of the Offense

2. The elements of the offense to which the Defendant has agreed to plead guilty, and which this Office would prove if the case went to trial, are as follows:

- a. The conspiracy, agreement, or understanding to commit wire fraud was formed, reached, or entered into by the Defendant and one or more persons;
- b. At some time during the existence or life of the conspiracy, agreement, or understanding, the Defendant knew the purpose of the agreement, and, with that knowledge, deliberately joined the conspiracy, agreement, or understanding; and

- c. At some time during the existence or life of the conspiracy, agreement, or understanding, one of the members of the conspiracy, with the intent to defraud, used or caused the use of interstate wires.

Penalties

3. The maximum sentence provided by statute for the offense to which the Defendant is pleading guilty is as follows: twenty (20) years of imprisonment, followed by three (3) years of supervised release, and a \$250,000 fine. In addition, the Defendant must pay \$100 as a special assessment pursuant to 18 U.S.C. § 3013, which will be due and should be paid at or before the time of sentencing. This Court may also order him to make restitution pursuant to 18 U.S.C. §§ 3663, 3663A, and 3664 of the full amount of the actual, total loss caused by the offense conduct set forth in the factual stipulation.¹ If a fine or restitution is imposed, it shall be payable immediately, unless, pursuant to 18 U.S.C. § 3572(d), the Court orders otherwise. The Defendant understands that if he serves a term of imprisonment, is released on supervised release, and then violates the conditions of his supervised release, his supervised release could be revoked - even on the last day of the term - and the Defendant could be returned to custody to serve another period of incarceration and a new term of supervised release. The Defendant understands that the Bureau of Prisons has sole discretion in designating the institution at which the Defendant will serve any term of imprisonment imposed.

Waiver of Rights

4. The Defendant understands that by entering into this agreement, he surrenders certain rights as outlined below:

- a. If the Defendant had pled not guilty, he would have had the right to a speedy jury trial with the close assistance of competent counsel. That trial could be conducted by a judge, without a jury, if the Defendant, this Office, and the Court all agreed. If the Defendant wished to be charged by indictment, he would have the right to require the government to present its case to the Grand Jury. The Defendant knowingly and voluntarily waives his right to Grand Jury indictment, and agrees and understands that the charges will be filed by the United States Attorney without the Grand Jury.

- b. If the Defendant elected a jury trial, the jury would be composed of twelve individuals selected from the community. Counsel and the Defendant would have the opportunity to challenge prospective jurors who demonstrated bias or who were otherwise unqualified, and would have the opportunity to strike a certain number of jurors peremptorily. All

¹ Pursuant to 18 U.S.C. § 3612, if the Court imposes a fine in excess of \$2,500 that remains unpaid 15 days after it is imposed, the Defendant shall be charged interest on that fine, unless the Court modifies the interest payment in accordance with 18 U.S.C. § 3612(f)(3).

twelve jurors would have to agree unanimously before the Defendant could be found guilty of any count. The jury would be instructed that the Defendant was presumed to be innocent, and that presumption could be overcome only by proof beyond a reasonable doubt.

c. If the Defendant went to trial, the government would have the burden of proving the Defendant guilty beyond a reasonable doubt. The Defendant would have the right to confront and cross-examine the government's witnesses. The Defendant would not have to present any defense witnesses or evidence whatsoever. If the Defendant wanted to call witnesses in his defense, however, he would have the subpoena power of the Court to compel the witnesses to attend.

d. The Defendant would have the right to testify in his own defense if he so chose, and he would have the right to refuse to testify. If he chose not to testify, the Court could instruct the jury that they could not draw any adverse inference from his decision not to testify.

e. If the Defendant were found guilty after a trial, he would have the right to appeal the verdict and the Court's pretrial and trial decisions on the admissibility of evidence to see if any errors were committed which would require a new trial or dismissal of the charges against him. By pleading guilty, the Defendant knowingly gives up the right to appeal the verdict and the Court's decisions.

f. By pleading guilty, the Defendant will be giving up all of these rights, except the right, under the limited circumstances set forth in the "Waiver of Appeal" paragraph below, to appeal the sentence. By pleading guilty, the Defendant understands that he may have to answer the Court's questions both about the rights he is giving up and about the facts of his case. Any statements the Defendant makes during such a hearing would not be admissible against him during a trial except in a criminal proceeding for perjury or false statement.

g. If the Court accepts the Defendant's plea of guilty, there will be no further trial or proceeding of any kind, and the Court will find him guilty.

h. By pleading guilty, the Defendant will also be giving up certain valuable civil rights and may be subject to deportation or other loss of immigration status.

Advisory Sentencing Guidelines Apply

5. The Defendant understands that the Court will determine a sentencing guidelines range for this case (henceforth the "advisory guidelines range") pursuant to the Sentencing Reform Act of 1984 at 18 U.S.C. §§ 3551-3742 (excepting 18 U.S.C. §§ 3553(b)(1) and 3742(e)) and 28 U.S.C. §§ 991 through 998. The Defendant further understands that the Court will impose a sentence pursuant to the Sentencing Reform Act, as excised, and must take into account the advisory guidelines range in establishing a reasonable sentence.

Factual and Advisory Guidelines Stipulation

6. This Office and the Defendant understand, agree and stipulate to the Statement of Facts set forth in Attachment A hereto which this Office would prove beyond a reasonable doubt, and to the following applicable sentencing guidelines factors:

a. Pursuant to § 2B1.1(a)(1), the base offense level is 7.

b. Pursuant to § 2B1.1(b)(1)(G), the base offense level is increased by **18** levels because the loss was more than \$2,500,000 but less than \$7,000,000. The adjusted offense level is **25**.

c. Pursuant to § 3B1.3, the offense level is increased by **2** levels because the defendant abused a position of trust, and because he used a special skill, in a manner that significantly facilitated the commission or concealment of the offense. (**Subtotal = 27**).

d. This Office does not oppose a **2** level reduction in the Defendant's adjusted offense level, based upon the Defendant's apparent prompt recognition and affirmative acceptance of personal responsibility for his criminal conduct. This Office agrees to make a motion pursuant to U.S.S.G. § 3E1.1(b) for an additional **1** level decrease in recognition of the Defendant's timely notification of his intention to plead guilty. This Office may oppose *any* adjustment for acceptance of responsibility if the Defendant (a) fails to admit each and every item in the factual stipulation; (b) denies involvement in the offense; (c) gives conflicting statements about his involvement in the offense; (d) is untruthful with the Court, this Office, or the United States Probation Office; (e) obstructs or attempts to obstruct justice prior to sentencing; (f) engages in any criminal conduct between the date of this agreement and the date of sentencing; or (g) attempts to withdraw his plea of guilty. With a **3** level reduction for acceptance of responsibility, **the final adjusted offense level is 24**.

7. The Defendant understands that there is no agreement as to his criminal history or criminal history category, and that his criminal history could alter his offense level if he is a career offender or if the instant offense was a part of a pattern of criminal conduct from which he derived a substantial portion of his income.

8. This Office and the Defendant agree that with respect to the calculation of the advisory guidelines range, no other offense characteristics, sentencing guidelines factors, potential departures or adjustments set forth in the United States Sentencing Guidelines will be raised or are in dispute.

Obligations of the United States Attorney's Office

9. At the time of sentencing, this Office will recommend a sentence within the advisory guidelines range determined by the Court.

10. The parties reserve the right to bring to the Court's attention at the time of sentencing, and the Court will be entitled to consider, all relevant information concerning the Defendant's background, character and conduct.

Waiver of Appeal

11. In exchange for the concessions made by this Office and the Defendant in this plea agreement, this Office and the Defendant waive their rights to appeal as follows:

a. The Defendant knowingly waives all right, pursuant to 28 U.S.C. § 1291 or otherwise, to appeal the Defendant's conviction;

b. The Defendant and this Office knowingly waive all right, pursuant to 18 U.S.C. § 3742 or otherwise, to appeal whatever sentence is imposed (including the right to appeal any issues that relate to the establishment of the advisory guidelines range, the determination of the Defendant's criminal history, the weighing of the sentencing factors, and the decision whether to impose and the calculation of any term of imprisonment, fine, order of forfeiture, order of restitution, and term or condition of supervised release), except as follows: (i) the Defendant reserves the right to appeal any term of imprisonment imposed by the Court that exceeds the advisory guideline range as established by the Court at sentencing; and (ii) this Office reserves the right to appeal any term of imprisonment imposed by the Court that falls below the advisory guideline range established by the Court at sentencing.

c. Nothing in this agreement shall be construed to prevent the Defendant or this Office from invoking the provisions of Federal Rule of Criminal Procedure 35(a), or from appealing from any decision thereunder, should a sentence be imposed that resulted from arithmetical, technical, or other clear error.

d. The Defendant waives any and all rights under the Freedom of Information Act relating to the investigation and prosecution of the above-captioned matter and agrees not to file any request for documents from this Office or any investigating agency.

Restitution

12. The Defendant agrees to the entry of a Restitution Order for the full amount of the victims' losses, with joint and several liability with respect to any other convicted co-conspirators. The Defendant agrees that, pursuant to 18 U.S.C. §§ 3663 and 3663A and §§ 3563(b)(2) and 3583(d), the Court may order restitution of the full amount of the actual, total loss caused by the offense conduct set forth in the factual stipulation. The Defendant further agrees that he will fully disclose to the probation officer and to the Court, subject to the penalty of perjury, all information, including but not limited to copies of all relevant bank and financial records, regarding the current location and prior disposition of all funds obtained as a result of the criminal conduct set forth in the factual stipulation. The Defendant further agrees to take all reasonable steps to retrieve

or repatriate any such funds and to make them available for restitution. If the Defendant does not fulfill this provision, it will be considered a material breach of this plea agreement, and this Office may seek to be relieved of its obligations under this agreement.

Obstruction or Other Violations of Law

13. The Defendant agrees that he will not commit any offense in violation of federal, state or local law between the date of this agreement and his sentencing in this case. In the event that the Defendant (i) engages in conduct after the date of this agreement which would justify a finding of obstruction of justice under U.S.S.G. § 3C1.1, or (ii) fails to accept personal responsibility for his conduct by failing to acknowledge his guilt to the probation officer who prepares the Presentence Report, or (iii) commits any offense in violation of federal, state or local law, then this Office will be relieved of its obligations to the Defendant as reflected in this agreement. Specifically, this Office will be free to argue sentencing guidelines factors other than those stipulated in this agreement, and it will also be free to make sentencing recommendations other than those set out in this agreement. As with any alleged breach of this agreement, this Office will bear the burden of convincing the Court of the Defendant's obstructive or unlawful behavior and/or failure to acknowledge personal responsibility by a preponderance of the evidence. The Defendant acknowledges that he may not withdraw his guilty plea because this Office is relieved of its obligations under the agreement pursuant to this paragraph.

Court Not a Party

14. The Defendant expressly understands that the Court is not a party to this agreement. In the federal system, the sentence to be imposed is within the sole discretion of the Court. In particular, the Defendant understands that neither the United States Probation Office nor the Court is bound by the stipulation set forth above, and that the Court will, with the aid of the Presentence Report, determine the facts relevant to sentencing. The Defendant understands that the Court cannot rely exclusively upon the stipulation in ascertaining the factors relevant to the determination of sentence. Rather, in determining the factual basis for the sentence, the Court will consider the stipulation, together with the results of the presentence investigation, and any other relevant information. The Defendant understands that the Court is under no obligation to accept this Office's recommendations, and the Court has the power to impose a sentence up to and including the statutory maximum stated above. The Defendant understands that if the Court ascertains factors different from those contained in the stipulation set forth above, or if the Court should impose any sentence up to the maximum established by statute, the Defendant cannot, for that reason alone, withdraw his guilty plea, and will remain bound to fulfill all of his obligations under this agreement. The Defendant understands that neither the prosecutor, his counsel, nor the Court can make a binding prediction, promise, or representation as to what guidelines range or sentence the Defendant will receive. The Defendant agrees that no one has made such a binding prediction or promise.\

Entire Agreement

15. This letter supersedes any prior understandings, promises, or conditions between this Office and the Defendant and, together with the Sealed Supplement, constitutes the complete plea agreement in this case. The Defendant acknowledges that there are no other agreements, promises, undertakings or understandings between the Defendant and this Office other than those set forth in this letter and the Sealed Supplement and none will be entered into unless in writing and signed by all parties.

If the Defendant fully accepts each and every term and condition of this agreement, please sign and have the Defendant sign the original and return it to me promptly.

Very truly yours,

Rod J. Rosenstein
United States Attorney

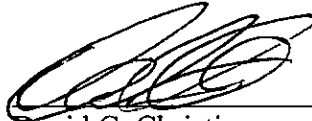
By: _____


Gregory R. Bockin
Assistant United States Attorney

I have read this agreement, including the Sealed Supplement, and carefully reviewed every part of it with my attorney. I understand it, and I voluntarily agree to it. Specifically, I have reviewed the Factual and Advisory Guidelines Stipulation with my attorney, and I do not wish to change any part of it. I am completely satisfied with the representation of my attorney.

6.29.2012

Date



David C. Christian

I am David C. Christian's attorney. I have carefully reviewed every part of this agreement, including the Sealed Supplement, with him. He advises me that he understands and accepts its terms. To my knowledge, his decision to enter into this agreement is an informed and voluntary one.

6/29/12

Date


Andrew C. White, Esquire

Attachment A

Statement of Facts

If the case had proceeded to trial, the Government would have proven the following facts beyond a reasonable doubt. This statement of facts does not constitute all of the facts provable by the Government.

Background

David C. Christian ("Christian"), age 62 and a resident of Catonsville, Maryland, has been a licensed real estate appraiser in Maryland since 1986. In approximately 2004, working with co-conspirator A, Christian began appraising a number of properties on behalf of purchasers who were seeking financing through Worthington Mortgage Group, LLC. ("Worthington"). Co-conspirator A had recently taken control of Worthington, a mortgage brokerage company operating at the time out of an office on Gough Street in Baltimore, Maryland.

For a fee, a mortgage broker processes a loan application and finds a lender who is prepared to fund the loan based on the information contained in the loan application and supporting documents. Included in this documentation is an appraisal from a licensed appraiser which provides the lender with an objective assessment of the value of the property underlying the transaction.

The Conspiracy And Scheme To Defraud

As Christian addressed each assignment, co-conspirator A told Christian the dollar value he wanted Christian to place on the property in question. On many occasions, co-conspirator A demanded that Christian change his appraisal whenever he (Christian) had concluded that the property in question was of lesser value. Although only about 10 to 15 percent of his business was with co-conspirator A, Christian agreed to change his appraisals to meet the higher values co-conspirator A insisted upon and to include within his appraisals false and misleading documents and rationale to support the higher values that both he and co-conspirator A knew were incorrect. Christian knew that financial institutions would rely on his appraisals when they evaluated the loan applications in question. Yet, for each appraisal, co-conspirator A paid Christian no more than his standard fee of \$350.

During the period April 2004 through April 2008, at co-conspirator A's request, Christian prepared at least seventeen (17) fraudulent appraisals for loans originated at Worthington, resulting in substantial losses for a number of financial institutions. Christian falsified the appraisals using a variety of material misrepresentations. The loans and their respective losses, listed below, involved appraisals that were materially false in at least one of the following respects:

- 1) Christian inserted pictures for the interior photo portion of the appraisal that were not the actual photos of the subject property;

- 2) Christian misrepresented the condition of the subject properties, often claiming that the properties had been renovated when they had not been renovated or claiming that the properties were in good condition when they were, at best, in average condition;
- 3) Christian misrepresented the physical characteristics of the subject properties, such as misrepresenting a property by appraising double units as singles; and
- 4) Christian used inappropriate comparable properties which were located too far from the subject property or were in a more desirable neighborhood than that of the subject property. Often co-conspirator A would find inappropriate comparables from public record databases and tell Christian to use them.

The Fraudulent Refinancing Of Christian's Own Property On Egges Lane, Catonsville, MD

During the course of this conspiracy, Christian used co-conspirator A as the mortgage broker on two separate occasions to refinance property that both he (Christian) and his wife owned which was located on Egges Lane in Catonsville, Maryland. The refinancing took place in March 2007 and again in June 2007. Both applications were accompanied by an appraisal that Christian submitted that was materially false in numerous ways. First, on the refinancing documents, to avoid the obvious conflict of performing an appraisal on his own property, Christian had another appraiser sign the appraisal even though Christian himself prepared the appraisal. The other appraiser agreed to sign the appraisal as a favor to Christian. In preparing the appraisal, Christian inflated the value of his Egges Lane property. To support the inflated value, Christian used inappropriate comparable properties and utilized a street scene photograph for the property that was not accurate.

When he asked co-conspirator A to originate both loan refinances on his and his wife's Egges Lane property, co-conspirator A told Christian that it would be better to take out the loans in the name of Christian's wife. Christian knew that co-conspirator A, in processing both loan applications, would falsify the income and employment status of Christian's wife. In fact, on the loan application dated June 15, 2007, co-conspirator A falsely stated that Christian's wife earned \$17,000 per month and worked for a company that both Christian and co-conspirator A knew was no longer operating. On the same application, co-conspirator A listed a false amount for the couple's bank account balance. The reported amount in the bank account was \$108,000, when the true figure was much lower. Moreover, both loan applications failed to state that Christian and his wife had defaulted on a federal debt and were subject to federal tax liens. Finally, Christian allowed co-conspirator A to fraudulently state in the refinancing documents that the property at Egges Lane was his and his wife's principal residence, which it was not.

Funding The Egges Lane Refinance And The Loss To Freddie Mac

The June 2007 loan in the amount of \$265,500 to refinance the Egges Lane property was funded by Taylor Bean & Whitaker Mortgage Corporation ("TBW"), a wholesale mortgage lending firm, headquartered in Ocala, Florida. Immediately thereafter, TBW sold the loan to the Federal Home Loan Mortgage Corporation ("Freddie Mac"). Freddie Mac is a government sponsored

federally chartered corporation, headquartered in Fairfax County, Virginia. Freddie Mac was created in 1970 to expand the secondary market for mortgages in the United States. Like the Federal National Mortgage Association ("Fannie Mae"), Freddie Mac either buys mortgages on the secondary market for its own account or arranges to pool the mortgages and sell them as mortgage backed securities to investors on the open market.

Defendant Christian and his wife eventually defaulted on the \$265,500 loan, resulting in a 2009 foreclosure and a direct loss to Freddie Mac of at least **\$139,767**, based upon the difference between the unpaid balance of the loan and the proceeds of the sale.

The Use Of An Interstate Bank Wire Transfer To Complete The Egges Lane Refinance

On June 22, 2007, in furtherance of the conspiracy and in execution of the scheme to defraud (in this case, Taylor Bean Whitaker Mortgage Corporation ["TBW"] and Freddie Mac), co-conspirator A and defendant Christian caused TBW to wire transfer \$271,694.77, through Lasalle Bank, N.A., in Illinois to Wachovia Bank, N.A., in Maryland, to the title agent to complete the settlement transaction. The \$271,694.77 was needed to fund the original loan amount plus additional costs and fees associated with the closing.

Additional Losses Attributable to Christian's Role In The Conspiracy


With his fraudulent appraisals, defendant Christian was instrumental in causing other losses as set forth below. All of the listed properties are located in Baltimore, Maryland:

Property	Original Loan Amount \$	Unpaid Principle Balance \$	Loss Amount Based Solely On The Amount Received At Foreclosure \$	Financial Institution Suffering the Loss
103 N. Montford Ave.	241,500	241,500	52,034	Wells Fargo
117 N. Montford Ave.	266,000	264,345	79,620	Freddie Mac
519 S. East Ave.	365,000	363,669	210,768	TBW
105 N. Montford St	261,200	259,471	187,349	Fannie Mac
307 Baylis St.	155,000	150,006	110,006	Freddie Mac
223 S. Madeira St.	327,250,	326,167	188,118	Freddie Mac
107 N. Montford Ave.	196,800	195,525	107,625	Freddie Mac

2225 Gough St.	385,000	304,285	134,285	Aurora Bank
229 S. Chapel St.	156,000	155,813	103,813	Aurora Bank
211 S. Madeira St.	292,000	290,875	215,875	Freddie Mac
214 S. Chapel St.	240,000	239,125	195,529	Fannie Mae
2217 Gough St.	390,000	390,000	217,230	Fannie Mae
212 S. Castle St.	305,000	304,750	220,562	Freddie Mac
227 S. Chapel St.	270,000	202,500	113,493	Freddie Mac
132 S. Chapel St.	205,200	204,125	157,185	Fannie Mae
207 S. Chapel St.	251,000	250,607	228,107	JP Morgan Chase

The total loss for the 17 loans referred to above amounted to **\$2,661,366**.

I have reviewed the foregoing statement of facts with my attorney, understand it, agree with it, and do not wish to change any part of it. I further understand that it is included as part of my plea agreement with the government in this case.




 David C. Christian

6-29-2012

 Date

I am Mr. Christian's attorney. I have carefully reviewed the statement of facts with him.



 Andrew C. White, Esquire

6/29/12

 Date