



U.S. Department of Justice

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October 25, 2012

Andrew C. White, Esq.
Silverman Thompson Slutkin & White
201 N. Charles Street, Suite 2600
Baltimore, Maryland 21201-4901

Re: *United States v. Alexander Sivels, II*
Criminal No. JKB-12-0360 (D. Md.)

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 If this offer has not been accepted by Friday, November 9, 2012, it will be deemed withdrawn. The terms of the agreement are as follows:

Offense of Conviction

1. The Defendant agrees to plead guilty to Count Four of the indictment currently pending against him, which charges him with Wire Fraud, in violation of 18 U.S.C. § 1343. 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:

- First, there was a scheme or artifice to defraud, or to obtain money by means of materially false and fraudulent pretenses, representations and promises, as charged in the Indictment;

- Second, the Defendant knowingly and willfully participated in the scheme or artifice to defraud, with knowledge of its fraudulent nature and with the specific intent to defraud, or that he knowingly and intentionally aided and abetted others in the scheme; and
- Third, in the execution of the scheme, the Defendant caused the use of interstate wires, as specified in the Indictment.

Penalties

3. The maximum sentence provided by statute for the offense to which the Defendant is pleading guilty is as follows: twenty (20) years, plus a term of supervised release of as much as three (3) years and a fine of up to \$250,000. In addition, the Defendant must pay \$100.00 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 3664.¹ 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 chose to persist in his plea of 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.

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

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).

otherwise unqualified, and would have the opportunity to strike a certain number of jurors peremptorily. All 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. (a) This Office and the Defendant understand, agree and stipulate that the Statement of Facts set forth in Attachment A hereto could be proven by the Government beyond a reasonable doubt if this matter were to proceed to trial, and further agree and stipulate that the following sentencing guidelines factors are applicable in the defendant's case:

Count Four (Wire Fraud): A base offense level of **seven (7)** applies to this offense because the offense of conviction has a statutory maximum term of imprisonment of 20 years or more. U.S.S.G. § 2B1.1(a)(1). The parties agree that the loss amount was certainly greater than \$400,000.00, but disagree as to whether the amount of the loss exceeded \$1,000,000.00. The parties therefore agree that an increase of at least **fourteen (14)** levels is required based upon the amount of the actual loss under U.S.S.G. § 2B1.1(b)(1)(I), but disagree as to whether an additional **two (2)** level enhancement is applicable under U.S.S.G. § 2B1.1(b)(1)(J) because the loss from the 126 S. Curley Street transaction if it had gone through would have resulted in a combined actual and attempted loss figure exceeding \$1 million.

This Office does not oppose a **two (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 **one (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 (1) fails to admit each and every item in the factual stipulation; (2) denies involvement in the offense; (3) gives conflicting statements about his involvement in the offense; (4) is untruthful with the Court, this Office, or the United States Probation Office; (e) obstructs or attempts to obstruct justice prior to sentencing; (5) engages in any criminal conduct between the date of this agreement and the date of sentencing; or (6) attempts to withdraw his plea of guilty.

(b) As noted above, the parties disagree as to whether the amount of the loss for guidelines purposes exceeds \$1 million. The government contends that it does, because the unsuccessful attempt involving 126 S. Curley Street should be included; the defense maintains that this transaction should not be included, and that the amount of the loss is therefore below \$1 million. This issue will need to be resolved by the Court at sentencing. The defense also maintains that although defendant Sivels was not a minor participant on the initial group of transactions in 2008, he was a minor participant on the subsequent group of transactions that occurred in 2010, and will argue to the Court that it should take this into account in deciding on an appropriate sentence for him in this case.

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 or sentencing guidelines factors will be raised or are in dispute. The Defendant agrees that if he wishes to argue for any potential departures or adjustments, or variances set forth in the United States Sentencing Guidelines or in 18 U.S.C. § 3553(a) that could take the sentence outside of the advisory guidelines range, he will notify the Court, the United States Probation Officer and government counsel at least **thirty (30)** days in advance of sentencing of the facts or issues he intends to raise in order to afford the government and the Probation Officer an adequate opportunity to investigate and research the issue or issues in question.

Obligations of the United States Attorney's Office

9. At the time of sentencing, this Office will recommend that the Defendant be sentenced to a term of imprisonment at a point within the bottom half of the Guideline range determined by the Court to be applicable in his case. This Office will determine its exact recommendation after reviewing all the pertinent information in the pre-sentencing report and after considering all factors that bear upon the Defendant's acceptance of responsibility.

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, including the conduct that is the subject of the counts of the Indictment that this Office has agreed to dismiss at sentencing.

Forfeiture

11. The defendant understands that the court will, upon acceptance of his guilty plea, enter an order of forfeiture as part of his sentence, and that the order of forfeiture may include assets directly traceable to his offense, substitute assets and/or a money judgment equal to the value of the property derived from, or otherwise involved in, the offense. Specifically, the court will order the forfeiture of all proceeds obtained as a result of or traceable to the offense, or that may constitute substitute assets for such proceeds. The defendant agrees to consent to the entry of orders of forfeiture for such property and waives the requirements of Federal Rules of Criminal Procedure 11(b)(1)(J), 32.2 and 43(a) regarding notice of the forfeiture in the charging instrument, advice regarding the forfeiture at the change-of-plea hearing, announcement of the forfeiture at sentencing, and incorporation of the forfeiture in the judgment.

Assisting the Government with Regard to the Forfeiture

12. The defendant agrees to assist fully in the forfeiture of the foregoing assets. The defendant agrees to disclose all of his assets and sources of income to the United States, to fully explain the disposition of all proceeds obtained by him as a result of the criminal conduct set forth in Attachment A, and to take all steps necessary to pass clear title to the forfeited assets to the United States, including but not limited to executing any and all documents necessary to transfer such title, assisting in bringing any assets located outside of the United States within the jurisdiction of the United States, and taking whatever steps are necessary to ensure that assets subject to forfeiture are not sold, disbursed, wasted, hidden or otherwise made unavailable for forfeiture. The defendant further agrees that he will not assist any third party in asserting a claim to the forfeited assets in an ancillary proceeding and that he will testify truthfully in any such proceeding.

Waiver of Further Review of Forfeiture

13. The defendant further agrees to waive all constitutional, legal and equitable challenges (including direct appeal, habeas corpus, or any other means) to any forfeiture carried out in accordance with this Plea Agreement on any grounds, including that the forfeiture constitutes an excessive fine or punishment. The defendant also agrees not to challenge or seek review of any civil or administrative forfeiture of any property subject to forfeiture under this agreement, and will not assist any third party with regard to such challenge or review or with regard to the filing of a petition for remission of forfeiture.

Restitution

14. The Defendant agrees to the entry of a Restitution Order for the full amount of the victims' losses. A final determination of the full amount of the victims' losses will be made at sentencing based upon the information available at that time, and both parties may present their arguments to the court concerning the proper calculation of the victims' losses in this case.

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.

The parties further agree that if other individuals who would be jointly and severally liable with him for the loss caused to the victim are subsequently prosecuted and ordered to pay restitution, and if restitution should be collected from any of them with regard to the loss suffered by the victim in this case, then the Defendant may seek an appropriate modification of the Court's restitution order to reflect the funds collected from that other source or sources.

Collection of Financial Obligations

15. The Defendant expressly authorizes the U.S. Attorney's Office to obtain a credit report in order to evaluate the Defendant's ability to satisfy any financial obligation imposed by the Court.

In order to facilitate the collection of financial obligations to be imposed in connection with this prosecution, the Defendant agrees to disclose fully all assets in which the Defendant has any interest or over which the Defendant exercises control, directly or indirectly, including those held by a spouse, nominee or other third party.

The Defendant will promptly submit a completed financial statement to the United States Attorney's Office, in a form this Office prescribes and as it directs. The Defendant promises that the financial statement and disclosures will be complete, accurate and truthful, and understands that any willful falsehood on the financial statement will be a separate crime and may be punished under 18 U.S.C. § 1001 by an additional five years' incarceration and fine.

Waiver of Appeal

16. 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 to the extent that it exceeds the upper end of an offense level of 18 (calculated with regard to the Defendant's criminal history category); (ii) and this Office reserves the right to appeal any term of imprisonment to the extent that it is below the lower end of an offense level of 18.

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.

Obstruction or Other Violations of Law

17. 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 (a) 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 (b) fails to accept personal responsibility for his conduct by failing to acknowledge his guilt to the probation officer who prepares the Presentence Report, or (c) 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

18. 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

19. 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:

Jefferson M. Gray
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.

Date

Alexander Sivals, II

I am Mr. Sivals'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.

Date

Andrew C. White, Esq.

ATTACHMENT A

The parties stipulate and agree that had this matter proceeded to trial, the government could produce testimonial and documentary evidence sufficient to establish the following facts beyond a reasonable doubt.

After attending Towson State University, Sivels took training to be a mortgage loan officer and then worked in that capacity for two mortgage lending companies. Sivels realized that people were making significant profits in real estate, and decided that he wanted to get involved more directly in real estate transactions. Sivels therefore established a real estate consulting business under the name of Royal Real Estate Consultants LLC, through which he intended to provide services as a real estate agent and mortgage loan broker, and Purposeful Urban Development, LLC, which he intended to utilize as a home renovation business.

Sometime in late 2007 or 2008, Sivels met Andreas Tamaris, a Baltimore City real estate developer whose business focused on buying, renovating and reselling homes in Baltimore City, particularly in the area east of Patterson Park. Tamaris asked Sivels for his assistance in finding new purchasers for houses that he had bought and renovated, or that were owned by other developers who owed money to Tamaris for renovation work. Tamaris gave Sivels a dollar figure he needed to receive from the sale of each property to recover his investment and earn a profit. He told Sivels that if he was able to sell the house for a greater price, then he could retain any amount generated by the transaction that was in excess of the figure Tamaris needed to cover his own costs and profit.

Through his association with Tamaris, Sivels met a man named Mr. E.R. Mr. E.R., who was 56 years old in the winter of 2008, had a very limited education and had variously worked as a maintenance man and groundskeeper. From 2006 until the late winter or spring of 2008, Mr. E.R. worked for Tamaris doing various construction-related tasks on the houses he was renovating. Mr. E.R. earned a salary of \$500 a week, or about \$2,000.00 a month. Mr. E.R. was also living in a house owned by Tamaris and was paying rent to him of \$800-\$850 a month during this period.

**Mr. E.R.'s Attempted Purchase of
126 S. Curley Street (February - March 2008)**

In the late fall of 2007 or the winter of 2008, Mr. E.R. told Tamaris that he was interested in getting involved in investing in real estate. Tamaris knew that Mr. E.R.'s earnings were relatively low and that he probably did not have substantial assets. At that time, however, Tamaris had recently finished renovating a house at **126 S. Curley Street, Baltimore, MD 21224**, and he indicated to Mr. E.R. that he was willing to sell the house to him.

Mr. E.R. contacted Sivels and asked if he could help him obtain the financing necessary to purchase 126 S. Curley. Sivels obtained Mr. E.R.'s social security number, asked about his earnings and assets, and ran a credit check on him to determine whether he could qualify for a home mortgage loan. It became clear to Sivels that Mr. E.R. would not be able to qualify for financing unless steps were taken to improve his credit picture and to make his earnings and assets look better than they were. Sivels was willing to do these things so that he could benefit from receiving a substantial share of the sales price on the transaction.

In order to improve Mr. E.R.'s credit picture, Tamaris and Sivels paid \$2,043 to Baltimore Gas & Electric on February 4, 2008 to settle a long-outstanding judgment it had previously obtained against Mr. E.R. Sivels also purchased one or more trade lines at \$200 each to further bolster Mr. E.R.'s credit score. These trade lines were purchased from a lending company, which then advised the credit reporting agencies that Mr. E.R. was an authorized user on accounts that were being paid on a timely basis.

In addition, Sivels cut and pasted the account statements for an account that Tamaris maintained at Provident Bank to make it appear that Mr. E.R. was the sole owner of the account, which had a balance of approximately \$45,000 in it. Finally, Sivels agreed to verify an inflated monthly rent figure for Mr. E.R. by pretending to be his landlord. Another individual generated false pay stubs and verification of employment forms for Mr. E.R., but Sivels was aware of the falsity. Sivels then provided the false information about Mr. E.R.'s earnings and assets to Merrill Lynch Credit Corporation.

The loan application for Mr. E.R. that Sivels submitted to Merrill Lynch in February 2008 falsely represented that Mr. E.R. earned \$7,165.35 a month, for an annual salary of \$90,480 in 2006, and that he had a balance of \$45,034.48 in an account at Provident Bank. The telephone number and e-mail addresses shown on the application were likewise false. The sales price for the property was \$290,000.00, of which Merrill Lynch was asked to finance \$281,300.

Merrill Lynch became suspicious about this application because of the employment relationship between Tamaris and Mr. E.R., and also because the social security number reported by Mr. E.R. belonged to a different individual. It therefore turned down Mr. E.R.'s application. This property was subsequently sold by Tamaris to another purchaser in the

summer of 2008. That transaction also involved a fraudulent mortgage loan application, but defendant Sivels played no part in it.

**Mr. E.R.'s Successful Purchase of
3426 Elmora Avenue (March - May 2008)**

Subsequently, however, Sivels assisted Mr. E.R. in successfully purchasing a house located at **3426 Elmora Avenue** in Baltimore City (21224). This property was not owned by Tamaris, but by a company known as Valley Investment, Inc. Mr. E.R.'s request for a loan in connection with the purchase of 3426 Elmora was first submitted by Sivels to a loan broker, Residential Home Loan Centers, LLC, which in turn offered the loan to Taylor Bean & Whitaker, which at that time was a large nationwide lending company headquartered in Ocala, Florida. The loan application dated March 11, 2008 that Sivels submitted on Mr. E.R.'s behalf falsely represented that he had earnings of \$7,666 monthly, or over \$90,000 annually, as well as a total of \$50,000.00 in savings in accounts at Provident Bank and Bank of America. Sivels also created and then submitted a false W-2 form for 2007 in support of Mr. E.R.'s loan application, fraudulently representing that he had earned \$92,560.00 that year as an employee of Tamaris's business, Master Development, when in fact his actual salary was barely a quarter of that amount. Sivels further submitted documents to Residential Home Centers and subsequently to Taylor Bean & Whitaker falsely representing that Mr. E.R. was paying \$1,300.00 in rent monthly during 2007 to "Dixon & Associates Management Group." On this occasion, Mr. E.R.'s correct social security number was used.

Taylor Bean & Whitaker agreed to issue a loan in the amount of \$140,600 to finance Mr. E.R.'s purchase of the property, and these funds were wired from Taylor, Bean & Whitaker's bank to the Old Line Bank in Bowie, Maryland on May 7, 2008. The loan closed on May 8, 2008 at Signature Settlements in Laurel, Maryland. Mr. E.R., as the buyer, was required to bring \$11,188.99 to the settlement; because Mr. E.R. did not have these funds, this amount was instead provided by Tamaris, who expected to be repaid from out of the proceeds of the transaction. After paying off the first mortgage loan in the amount of \$91,796.02 on the property, \$43,429.77 remained to be disbursed to the seller, Valley Investment, Inc. But Signature Settlements prepared a check in the amount of \$30,810.00 made payable jointly to Valley Investments, LLC and to Royal Real Estate Consultants LLC, Sivels's company. This check was jointly endorsed and then deposited by Sivels into his Royal Real Estate Consultants account at Provident Bank on May 9. None of those funds were disbursed to Valley Investments, but Sivels wrote Tamaris a check for \$11,133.99 on May 12, and then wrote two more checks to Tamaris personally for \$3,300.00 and \$7,533.00 on May 13.

The mortgage payments subsequently were not made on 3426 Elmora by Mr. E.R., and this loan was in default by the end of 2008. Before Taylor Bean & Whitaker could foreclose on the property and re-sell it, it went into bankruptcy in the summer of 2009. The Federal Home Loan Mortgage Corp. (Freddie Mac), which had guaranteed the loan, took over the property based upon a credit bid of \$60,300 (reflecting its assessment of the reasonable value of the property, but no other bidders came forward at that level or above), and subsequently sold the property in August 2010 for \$28,000.00. Thus, the ultimate loss sustained on this property was approximately \$112,000.00, not counting unpaid

accumulated interest or other costs incurred in foreclosing upon and then selling the property.

**Sivels's Fraudulent Purchase of a Used Land Rover
Using Mr. E.R.'s Identifiers (September 2008)**

In early September 2008, Sivels, who had poor credit, persuaded Mr. E.R. (who did not have a driver's license) to allow him to use his name to purchase a previously owned 2005 Range Rover Sport Utility Vehicle (VIN SALME11485A189906) manufactured by Land Rover from Jim Coleman Jaguar Land Rover of West Columbia in Clarksville, Maryland. After receiving credit for a trade-in on another car that Sivels owned and paying \$6,800.94 as a down payment, \$35,978.82 remained to be financed to cover the balance of the purchase price and government taxes, title, registration, and licensing fees.

In support of Mr. E.R.'s loan application, Sivels submitted a credit application to Jim Coleman Jaguar seeking financing on Mr. E.R.'s behalf that falsely represented that Mr. E.R. earned a gross salary of \$9,000 monthly as a Manager with Royal Real Estate Consultants LLC, and which further represented that he had been employed there for three years. Sivels also prepared fraudulent earnings statements and copies of paychecks dated 8/15/08 and 8/30/08 falsely reflecting that Mr. E.R. received net pay of \$4,128.84 from Royal Real Estate Consultants LLC every two weeks.

Mr. E.R.'s application for credit and the supporting documentation were submitted by Jim Coleman Jaguar Land Rover to Capital One Auto Finance, which agreed to extend financing of \$35,978.82 to cover the balance of the purchase price. Sivels subsequently had an accident about a year later in which the car was seriously damaged. It was repossessed

by Capital One and sold at auction for \$5,780.34, resulting in a final loss to Capital One Auto Finance of \$27,223.64.

Mr. E.R.'s Purchase of 721 East Cold Spring Lane

Five months after his purchase of 3426 Elmora Avenue, Mr. E.R., again working with Sivels, purchased a second house, **721 East Cold Spring Lane**, which was owned by Tamaris's company, Master Development LLC. The purchase price established for Mr. E.R. was \$160,000.00; once again, Sivels put the loan application together. The loan information that Sivels submitted to the prospective lender, U.S. Mortgage Finance Corp., in connection with Mr. E.R.'s purchase of 721 East Cold Spring falsely represented that he had worked for four years as a "Driver Manager" for "South Ammerican [sic] Airlines Charter" in Hyattsville, Maryland, earning a salary of \$7,843 monthly, and that he had assets of \$40,339.71 as against liabilities of \$12,657.00. On October 9, 2008, a fraudulent Verification of Employment form purporting to confirm Mr. E.R.'s employment and salary with South American Airlines Charter was faxed to the offices of U.S. Mortgage Finance Corp., and on October 13, 2008, fraudulent Wachovia Bank statements purporting to confirm that he had more than \$40,000 on deposit were faxed from the same number to U.S. Mortgage Finance. Sivels also submitted fraudulent pay stubs to U.S. Mortgage Finance for Mr. E.R. purporting to reflect his earnings at South American Airlines Charter. Based upon these false representations, U.S. Mortgage Finance agreed to extend a loan in the amount of \$157,528.00 to finance Mr. E.R.'s purchase of 721 E. Cold Spring Lane.

This loan closed at Highland Title Company on October 17, 2008. As the purchaser, Mr. E.R. was required to contribute \$21,958.64 for the down payment and his share of the closing costs. Once again, Tamaris actually provided these funds. He made an over-the-

counter withdrawal of \$22,000 from his personal SunTrust account on October 17, 2008, and used these funds to obtain an official bank check in the amount of \$21,958.64, which listed Mr. E.R. as the purchaser and which Tamaris tendered at closing on Mr. E.R.'s behalf.

Of the \$160,000 in closing proceeds, Tamaris's Master Development received \$72,069.88, while another \$79,213.00 was paid to an individual from whom Tamaris had borrowed the funds he used to acquire the property. Tamaris used \$22,000.00 to pay himself back for the down payment and closing costs, which he deposited into his SunTrust Bank account on October 23, 2008. He paid another \$41,250.00 to Purposeful Urban Development, the business owned by Sivels.

By January 2010, the mortgage on 721 East Cold Spring Lane was in default. This property is currently awaiting sale, and the estimated loss on this loan is expected to be approximately \$60,000.

Mr. M.C.'s Purchase of 430 Robert Street (September 2008)

Sivels also assisted Tamaris in finding buyers for two other properties, one of which (3914 Mount Pleasant in Baltimore) was owned by Tamaris's wife, and the second of which (430 Robert Street in Baltimore) was owned by another developer who owed Tamaris money. The developer's outstanding debt to Tamaris was ultimately satisfied from the settlement proceeds once the property sold and the loan obtained in connection with the sale closed. The purchaser in these two cases was Mr. M.C., a web master who owned a business called Cue Web Solutions. Mr. M.C. typically earned about \$20,000 a year from

his work as a web master, and he also sold bottled water at entertainment events to make additional money.

The first house that Sivels assisted Mr. M.C. in purchasing was **430 Robert Street** in Baltimore. This house was owned by another real estate developer (Mr. S.K.). Tamaris had done \$6,000 worth of work on this property before it was sold.

On August 11, 2008, Sivels submitted a loan application for Mr. M.C.'s purchase of 430 Robert Street to Cooper & Shein LLC d/b/a Great Oak Lending Partners, which acted as the mortgage broker on the transaction (the loan was subsequently extended by Taylor Bean & Whitaker LLC). The loan application falsely represented that Mr. M.C. had been employed by Cue Web Solutions for 10 years with a current monthly income of \$7,085 (approximately \$85,000.00 a year) and had assets in his bank account (# 9172) at SECU Federal Credit Union totaling \$42,588.00. Mr. M.C. actually did have a checking and a savings account at SECU at the time of the loan application, but the combined balance in the two accounts on August 11, 2008 was less than \$50.00.

In order to support the false representations made on Mr. M.C.'s loan application for 430 Robert Street, Sivels generated fake W-2s for the years 2006 and 2007 and false pay stubs, using a payroll processing kit he had purchased at an Office Depot store. He obtained monthly statements for Mr. M.C.'s SECU bank account and then doctored them to reflect the substantial balance referenced by the loan application. These fraudulent documents were then provided to Great Oak in support of Mr. M.C.'s loan application. Taylor Bean and Whitaker agreed to fund the loan.

The purchase price for the house was set by Sivels at \$260,000.00, and Taylor Bean & Whitaker Mortgage Corp. provided \$256,613 in financing. Sivels structured the deal

utilizing a seller's credit of \$15,600 and a Nehemiah Gift of \$7,800 so that very little money (only \$902) was required from the borrower at closing. On September 8, 2008, the day before the closing on 430 Robert Street, Sivels asked Tamaris for a loan of \$1,000.00. Tamaris wrote a check in that amount to Sivels on his Master Development business account at Wachovia Bank. The following day, Sivels endorsed and deposited that check at Wachovia Bank and used it to obtain an official bank check in the amount of \$1,000.00 that falsely represented that Mr. M.C. was the remitter. This check was then presented at the settlement on 430 Robert Street to cover the down payment and closing costs on that property.

The 430 Robert Street transaction closed on September 9, 2008. After a lender who had financed the original purchase by Mr. S.K. with a loan of \$50,000.00 was paid off, an invoice from Tamaris's Master Development LLC to cover the renovation costs of \$6,000.00 was satisfied, and the seller received \$40,100.00, the balance of \$132,913.30 was wired to the account (# xxx-1154) of Property Investors Unlimited at Provident Bank, a company which was owned by Tamaris. Tamaris then wrote three checks totaling \$71,131.00 that were made payable in the alternative to Royal Real Estate Consultants, a business owned by Sivels, and to Sivels personally: a check (# 1074) in the amount of \$33,000.00, which was labeled as "consulting fee"; a check (# 1075) in the amount of \$6,000.00, which was labeled as "fees"; and a check (# 1078) in the amount of \$33,131.00, also labeled as "fees." The balance of \$61,782.30 was retained by Tamaris.

Over the three months following the settlement on 430 Robert Street, between September 26, 2008 and November 26, 2008, a period that also includes the closing on October 29, 2008 for 3914 Mount Pleasant Avenue (discussed below), Sivels paid Mr. M.C.

an additional \$30,631.32 from the accounts of Royal Real Estate Consultants or Purposeful Urban Development, of which \$1,000 and \$1,400 were marked as rent payments for 3914 Mount Pleasant and 430 Robert Street respectively. Mr. M.C. used these funds to make payments on the mortgages owed on these two properties until they went into default.

Once Mr. M.C. stopped receiving additional payments from Sivels, he was unable to make the monthly mortgage payment of \$2,008.31 on 430 Robert Street, and the loan went into default. This house sold on August 22, 2011 for \$10,000.00. Because the lender had obtained a Federal Housing Authority (FHA) loan guarantee on this property, the ultimate loss was borne by the FHA. The FHA's loss figure on this property is \$259,433.45.

Mr. M.C.'s Purchase of 3914 Mount Pleasant Avenue (August - November 2008)

In August 2008, even before the 430 Robert Street transaction went to settlement in early September, Sivels also arranged for Mr. M.C. to buy a second property, **3914 Mount Pleasant Avenue** in Baltimore City (21224), which was owned by Tamaris's wife. This property, which Ms. Tamaris had acquired in September 2003 for \$35,000.00, was contracted by Sivels to Mr. M.C. for \$230,000.00.

On October 1, 2008, Sivels submitted financial information on Mr. M.C.'s behalf to U.S. Mortgage Finance Corp. stating that his base income was \$4,308.14 monthly and that his assets included \$33,245.00 in a bank account at SECU and \$8,749.25 in other assets, none of which were true. The information submitted to U.S. Mortgage further represented that Mr. M.C.'s liabilities totaled only \$13,303.00, concealing the fact that barely three weeks earlier, he had taken out a mortgage loan in the amount of \$256,613 to purchase 430 Robert Street.

Other fraudulent documents that were submitted to U.S. Mortgage Finance Corp. in support of Mr. M.C.'s loan application for 3914 Mount Pleasant Avenue included false federal tax returns for the years 2006 and 2007; false bank statements for Mr. M.C. from SECU; fraudulent pay stubs and copies of paychecks; and a fraudulent rent verification form, which listed "Royal Real Estate Consultants LLC Management Co." as his landlord and represented that Mr. M.C. was paying \$1,500 monthly in rent (he was in fact living at home with his parents at the time).

Mr. M.C.'s loan request for \$227,004 was approved by U.S. Mortgage & Finance Corp., and the transaction proceeded to settlement at Highland Title Co. on October 29, 2008. Mr. M.C. was required to pay \$10,357.85 to pay his costs at closing, but he actually contributed no funds to the transaction. Instead, on October 31, two days after the settlement occurred, Tamaris withdrew funds in that amount from his account xxxxxxxx7332 at Wachovia Bank to purchase an official bank check in the amount of \$10,357.85, which falsely listed Mr. M.C. as the Remitter. This check was then tendered to Highland Title Co. Following the closing, \$124,141.00 was paid by Highland Title to Tamaris's wife as the seller's share of the proceeds from the closing. She deposited these funds into her account (# 5249) at Provident Bank and then, on November 4, 2008, she wrote a check (# 1641) to Sivels and/or Purposeful Urban Development for \$51,212.00 with the notation "work on 3914 Mount Pleasant" appearing on the memo line, and a

second check to Sivels and/or Royal Real Estate for \$20,000.00 which also included the notation “work on 3914 Mount Pleasant” on the memo line.

Following the settlement, Sivels provided Mr. M.C. with a number of checks to assist him in making the payments on 3914 Mount Pleasant Avenue. Mr. M.C. made payments for a time, but eventually was unable to continue them and the loan went into default. Because the lender had obtained a FHA loan guarantee on this property, the ultimate loss was borne by the FHA. The property was sold by FHA on July 11, 2012 for \$33,620. The FHA’s loss figure on this property is therefore approximately \$200,000.00.

The 2010-2011 Transactions

Sivels subsequently assisted Tamaris with the sale of several other properties during the years 2010 and 2011 by providing fraudulent verifications of employment on the purchasers, falsely representing that they were employed by his company Purposeful Urban Development, in return for payments ranging from \$200 to \$500. In these cases, in contrast to the earlier ones, Sivels did not seek out financing for these transactions or submit the loan applications to a loan broker or lender. Instead, he simply agreed to allow the name of his business to be used and in some cases verified the purchaser’s employment when the prospective lender subsequently contacted him. This typically involved speaking with the lender’s representative by telephone and/or returning a verification of employment form that was faxed to him. The particulars of these transactions are as follows.

205 S. Highland Avenue, Baltimore, MD 21224: This property was purchased by Ms. J.E. on February 22, 2010. The purchase price was \$230,000.00, of which \$225,834 was financed by Residential Mortgage Solutions, Inc., subject to an FHA loan guarantee. The loan application submitted on behalf of Ms. J.E. falsely represented that she was employed by “Purposeful Urban Development” as a “Project Manager,” earning a gross monthly income of \$6,390.80. This property subsequently went into default, and it currently remains unsold. Its assessed value for tax purposes is \$96,461.00.

111 S. Robinson Street, Baltimore, MD 21224: This property was purchased by Mr. B.A.B. on August 6, 2010. The purchase price was \$235,000.00, of which \$231,877 was financed by Corridor Mortgage Group, subject to an FHA loan guarantee. The loan application submitted on behalf of Mr. B. A-B. falsely represented that he earned \$5,400 as his monthly gross pay from Purposeful Urban Development. This property subsequently went into default, and it currently remains unsold. Its assessed value for tax purposes is \$107,414.00.

3516 Esther Place, Baltimore, MD 21224: This property was purchased by Ms. M.A.A. on August 6, 2010. The purchase price was \$185,000.00, of which \$182,541 was financed by Fairway Independent Mortgage Corp., subject to an FHA loan guarantee. The loan application submitted on behalf of Ms. M.A.A. falsely represented that she had employment with both Wal-Mart and “Royal Consulting Firm LLC”, from which she earned a gross monthly income of \$4,008.13. This property subsequently went into default, and it currently remains unsold. Its assessed value for tax purposes is \$67,380.00.

There was also one other transaction that Sivels assisted Tamaris with selling in 2011 where he played a more substantial role – **409 N. Rose Street, Baltimore, MD 21224**. This property was purchased by Mr. D.C. on February 11, 2011. The purchase price was \$120,000.00, of which \$116,958 was financed by First Home Mortgage Corporation, subject to an FHA loan guarantee. The loan application submitted on behalf of Mr. D.C. falsely represented that he had been employed since 2009 with Purposeful Urban Development as an installation technician, from which he earned a gross monthly income of \$3,717.50. False W-2s and two biweekly paychecks purportedly issued by Purposeful Urban Development were submitted to First Home Mortgage in support of Mr. D.C.'s loan application. Sivels acknowledges that he produced the fake employment documents submitted in support of this loan application. This property subsequently went into default, and it currently remains unsold. Its assessed value for tax purposes is \$79,000.

The attached table summarizes the pertinent information and known or expected losses on each of these transactions as of the time of this agreement. It is likely that the victims may have suffered other expenses for attorney's fees, maintenance of the properties, and other costs that will need to be updated in advance of the sentencing in this case.

PROPERTY (Settlement Date)	LOAN AMOUNT OR UNPAID PRINCIPAL	FORECLOSURE PRICE OR ESTIMATED CURRENT VALUE	ATTEMPTED, ACTUAL OR ESTIMATED LOSS
126 S. Curley Street (unsuccessful attempt in February - March 2008)	\$294,500 (requested, but ultimately denied)	This loan request was ultimately not approved.	This property was subsequently sold to another borrower in another fraudulent transaction, and on that transaction, Fannie Mae suffered a loss of \$229,612. Defendant Sivels did not participate in the subsequent, successful fraud involving this property.
3426 Elmora Avenue (5/8/08)	\$140,600	This property was taken over by Freddie Mac after no other bidders matched its credit bid of \$60,300. It was subsequently sold for \$28,000 in August 2010.	\$112,600
721 East Cold Spring Lane (10/17/08)	\$156,065	This property remains unsold. Its assessed value for tax purposes is \$136,800.	The difference between the loan amount and the assessed value is \$19,256.
430 Robert Street (9/9/08)	\$256,613	This property sold by FHA for \$10,000 on 8/22/11; it was previously appraised for FHA at \$48,000.	FHA's final loss figure is \$276,177.74.
3914 Mount Pleasant Avenue (10/29/08)	\$227,004	Although its assessed value for tax purposes is \$185,000, this house was sold by FHA on 7/11/12 for \$33,620.	Approximately \$205,230.04

PROPERTY (Settlement Date)	LOAN AMOUNT OR UNPAID PRINCIPAL	FORECLOSURE PRICE OR ESTIMATED CURRENT VALUE	ATTEMPTED, ACTUAL OR ESTIMATED LOSS
2005 Land Rover SUV	\$35,978.82	Following an accident while Sivels was driving it, this car was sold for \$5,780.34.	\$27,223.64
205 S. Highland Avenue, Baltimore, MD 21224 (2/22/10)	\$223,461	This property is currently assessed for tax purposes at \$127,000.	Approximately \$96,461
111 S. Robinson Street, Baltimore, MD 21224 (8/6/10)	\$229,314	This property is currently assessed for tax purposes at \$121,900.	Approximately \$107,414
3516 Esther Place, Baltimore, MD 21224 (8/6/10)	\$181,880	This property is currently assessed for tax purposes at \$114,500.	Approximately \$67,380
409 Rose Street, Baltimore, MD 21224	\$116,958	This property is currently assessed for tax purposes at \$79,000.	\$37,417.00
TOTALS:	\$1,745,415.80		\$1,178,771.40