

1 the defendant and had also used the defendant's services as a real
2 estate broker to purchase a home. Defendant BROWN used TS as the
3 nominal purchaser of residential property for which defendant BROWN
4 submitted fraudulent loan applications.

5 3. LS, who is not charged in this Indictment, was a friend of
6 the defendant. Defendant BROWN used LS as the nominal purchaser of
7 residential property for which defendant BROWN submitted fraudulent
8 loan applications.

9 B. SCHEME TO DEFRAUD

10 4. Beginning on a date unknown to the Grand Jury, but not later
11 than in or about December 2005, and continuing to and including in or
12 about September 2007, in the State and Eastern District of California,
13 defendant ALONZO JACKSON BROWN, III, knowingly devised and intended to
14 devise a material scheme and artifice to defraud mortgage lending
15 institutions, and to obtain money from them by means of materially
16 false and fraudulent pretenses, representations and promises, and the
17 concealment of material facts.

18 5. In furtherance of the aforementioned scheme to defraud,
19 defendant BROWN caused Uniform Residential Loan Applications (URLA) in
20 the name of either TS or LS to be submitted to the lenders set forth
21 below for loans to purchase the residential properties listed below,
22 four out of five of which were owned by defendant BROWN immediately
23 prior to being "sold" to the nominal purchaser:

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Date	Property Address	Straw Buyer	Lender	Price
12/13/05	1930 Buckingham Drive Fairfield, CA	TS	Countrywide Bank	\$ 370,000
01/04/07	3934 Kiara Circle Fairfield, CA	TS	Central Mortgage Co.	\$1,195,000
04/07/06	3911 Stonington Court Fairfield, CA	LS	Countrywide Bank	\$ 790,000
04/07/06	270 Holly Drive Fairfield, CA	LS	Greenpoint Mortgage	\$ 460,000
03/10/06	3580 Springfield Fairfield, CA	LS	Fremont Invest- ment & Loan	\$ 590,000

6. Between in or about December 2005 and in or about January 2007, the defendant was responsible for the origination of more than \$3 million in residential mortgage loans for the properties listed in this indictment. All of these properties were later foreclosed upon resulting in a total loss to lenders of approximately \$1.5 million.

C. Manner and Means

7. In each of the above-listed transactions, the scheme to defraud was carried out, in substance, in the following manner:

a. Defendant BROWN purchased and owned four out of five of the above-listed properties before selling them to TS and LS. The market at the time allowed for large equity gains in a small amount of time.

b. Defendant BROWN, knowing that the nominal buyers did not have sufficient income or assets to qualify for home mortgage loans for the selected properties and that the buyers did not actually intend to occupy the selected property as their primary residence, submitted and caused to be submitted to the lender a URLA on behalf of the nominal borrower that contained materially false statements regarding the applicant's income, employment, assets, liabilities, and

1 intent to occupy the property as a primary residence. Defendant BROWN
 2 also included false and fabricated supporting documentation including
 3 altered bank statements.

4 c. Defendant Brown established a post office box to receive
 5 paperwork pertaining to the subject property, including the grant deed
 6 and foreclosure notices.

7 d. Defendant BROWN took the foregoing steps to take equity
 8 out of the property he owned and to make commissions on the real
 9 estate sales.

10 e. Defendant BROWN paid the down payment on the subject
 11 property and also paid the monthly mortgage for several months before
 12 defaulting and sending the property into foreclosure.

13 D. USE OF INTERSTATE WIRES

14 12. On or about the dates listed below, in the State and Eastern
 15 District of California, for the purpose of executing and attempting to
 16 execute the aforementioned scheme and artifice to defraud, the
 17 defendant knowingly transmitted and caused to be transmitted by means
 18 of wire communication in interstate commerce the following writings,
 19 signs, signals, pictures and sounds, as more specifically set forth
 20 below:

<u>COUNT</u>	<u>DATE</u>	<u>DESCRIPTION</u>	<u>SENDER</u>	<u>RECEIVER</u>
1	12/12/05	Wire Transfer of \$348,599.11	Bank of New York	Chicago Title
2	12/13/05	Wire Transfer of \$65,960.37	Bank of America	ALONZO BROWN
3	03/16/06	Wire Transfer of \$473,826.50	Fremont Invest-ment & Loan	Frontier Title

4	04/11/06	Wire Transfer of \$368,308.43	Greenpoint Mortgage	Chicago Title
5	04/19/06	Wire Transfer of \$633,540.52	Americas Whole- sale Lender	First American Title
6	03/14/07	Wire Transfer of \$649,031.34	Resmae Mortgage	First American Title

All in violation of Title 18, United States Code, Sections 1343 and 2.
COUNTS SEVEN THROUGH NINE: [18 U.S.C. § 1343 - Wire Fraud]

The Grand Jury further charges:

ALONZO JACKSON BROWN, III

defendant herein, as follows:

1. From in or about August, 2008 to at least in or about January, 2009, in the State and Eastern District of California and elsewhere, the defendant ALONZO JACKSON BROWN, III, knowingly devised and intended to devise a material scheme and artifice to defraud, and to obtain money by means of materially false and fraudulent pretenses, representations, and promises in violation of Title 18, United States Code, Section 1343.

2. Commencing in or about August, 2008, and continuing through in or about October, 2008, defendant BROWN, through his company JB Investments, offered a Canadian investor, hereinafter referred to as IM, an investment which he called a Private Placement Program. The defendant further told IM that if IM provided him with \$1 million in U.S. currency, he would conduct four "trades" per week and provide IM with a return of \$1 million per week for eight consecutive weeks.

3. Based on these representations, on or about October 10, 2008, IM wired \$999,985 (USD) to defendant BROWN's bank account in the

1 United States. After receiving these funds, defendant BROWN, through
 2 an intermediary, sent IM a fabricated document purporting to show that
 3 the money had been placed in an investment account.

4 4. Thereafter, defendant BROWN used IM's money for personal
 5 expenses, to make unauthorized investments of his own, and to make
 6 lulling payments to IM.

7 5. On or about January 21, 2009, IM sent defendant BROWN an
 8 email demanding the return of her money, but defendant BROWN ceased
 9 all communication with IM.

10 6. The loss to IM was \$635,985.

11 7. On or about the dates listed below, in the State and Eastern
 12 District of California, for the purpose of executing and attempting to
 13 execute the aforementioned scheme and artifice to defraud, defendant
 14 BROWN knowingly transmitted and caused to be transmitted by means of
 15 wire communication in interstate commerce the following writings,
 16 signs, signals, pictures and sounds, as more specifically set forth
 17 below:

<u>COUNT</u>	<u>DATE</u>	<u>DESCRIPTION</u>	<u>SENDER</u>	<u>RECEIVER</u>
7	10/09/08	Private Managed Buy Sell Agreement	ALONZO BROWN	IM
8	10/10/08	Wire transfer of \$999,985	Royal Bank of Canada Toronto, CANADA	Bank of America Fairfield, CA
9	10/17/08	Account Overview	ALONZO BROWN	IM

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1 All in violation of Title 18, United States Code, Sections 1343 and 2.

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A TRUE BILL.

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/s/ Signature on file w/AUSA

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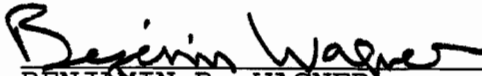
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FOREPERSON

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BENJAMIN B. WAGNER
United States Attorney

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UNITED STATES DISTRICT COURT

Eastern District of California

Criminal Division

THE UNITED STATES OF AMERICA

vs.

ALONZO JACKSON BROWN III

INDICTMENT

VIOLATION(S): 18 U.S.C. § 1343 - Wire Fraud (9 counts)

A true bill,

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Foreman.

Filed in open court this *16th* day

of *June*, A.D. 20 *11*

Matthew [Signature]

Clerk.

NO PROCESS NECESSARY

Bail, \$

[Signature]

2:11cr0249 MCE

PENALTY SLIP

Alonzo Jackson Brown III

COUNTS ONE THROUGH NINE

VIOLATION: 18 U.S.C. § 1343 - Wire Fraud
PENALTY: Not more than \$250,000 Fine; or
Not more than 20 years Imprisonment, or both;
Not more than 3 years of supervised release.

ASSESSMENT: \$100 special assessment for each count.