

1 may be ordered by the court. AB

2 **D. Special Assessment:** The defendant agrees to pay a special
3 assessment of \$200 at the time of sentencing by delivering a check
4 or money order payable to the United States District Court to the
5 United States Probation Office immediately before the sentencing
6 hearing. The defendant understands that this Plea Agreement is
7 voidable by the government if he fails to pay the assessment prior
8 to that hearing. AB

9 **III.**

10 **THE GOVERNMENT'S OBLIGATIONS**

11 **A. Dismissals:** The government agrees to dismiss the remaining
12 charges contained in the indictment and to bring no further charges
13 as a result of the conduct set forth in Exhibit A except as provided
14 in Part VII.B of this Plea Agreement. AB

15 **B. Recommendations:**

16 **1. Incarceration Range:** The government agrees to
17 recommend a sentence of 63 months based on the stipulated sentencing
18 guidelines contained in this plea agreement. AB

19 **2. Acceptance of Responsibility:** If the United States
20 Probation Office determines that a three-level reduction in
21 defendant's offense level for his full and clear demonstration of
22 acceptance of responsibility is appropriate under U.S.S.G. § 3E1.1,
23 the government will not oppose such a reduction and will so move
24 under §3E1.1(b), so long as the defendant pleads guilty, meets with
25 and assists the probation officer in the preparation of the pre-
26 sentence report, is truthful and candid with the probation officer,
27 and does not otherwise engage in conduct that constitutes
28 obstruction of justice within the meaning of U.S.S.G § 3C1.1, either

1 in the preparation of the pre-sentence report or during the
2 sentencing proceeding. AD

3 IV.

4 **ELEMENTS OF THE OFFENSE**

5 **A. Elements of the Offense:** The defendant understands that to
6 be convicted of the crime of wire fraud the government would have to
7 show beyond a reasonable doubt each of the following elements:

8 (1) That the defendant made up a scheme or plan to obtain money
9 or property by making false promises or statements, with the
10 jury agreeing on at least one false promise or statement that
11 was made;

12 (2) That the defendant knew that the promises or statements
13 were false;

14 (3) That the promises or statements were of a kind that would
15 reasonably influence a person to part with money or property;

16 (4) That the defendant acted with intent to defraud; and

17 (5) That the defendant used, or caused to be used, wire, radio
18 or television communication in interstate or foreign commerce
19 to carry out or attempt to carry out an essential part of the
20 scheme. AD

21 V.

22 **MAXIMUM SENTENCE**

23 **A. Maximum Penalty:** The maximum sentence that the Court can
24 impose on each count is 20 years of incarceration, a fine of
25 \$250,000, a 3 year period of supervised release and a special
26 assessment of \$100. By signing this Plea Agreement, the defendant
27 also agrees that the Court can order the payment of restitution for
28 the full loss caused by the defendant's wrongful conduct. The

1 defendant agrees that the restitution order is not restricted to the
2 amounts alleged in the specific count to which the defendant is
3 pleading guilty. The defendant further agrees that he will not
4 attempt to discharge in any present or future bankruptcy proceeding
5 any restitution imposed by the Court. MB

6 **B. Violations of Supervised Release:** The defendant understands
7 that if he violates a condition of supervised release at any time
8 during the term of supervised release, the Court may revoke the term
9 of supervised release and require the defendant to serve up to 3
10 additional years imprisonment. AD

11 VI.

12 **SENTENCING DETERMINATION**

13 **A. Statutory Authority:** The defendant understands that the
14 Court must consult the Federal Sentencing Guidelines (as promulgated
15 by the Sentencing Commission pursuant to the Sentencing Reform Act
16 of 1984, 18 U.S.C. §§ 3551-3742 and 28 U.S.C. §§ 991-998, and as
17 modified by United States v. Booker and United States v. Fanfan,
18 543 U.S. 220 (VI), 125 S.Ct. 738 (2005)) and must take them into
19 account when determining a final sentence. The defendant
20 understands that the Court will determine a non-binding and advisory
21 guideline sentencing range for this case pursuant to the Sentencing
22 Guidelines. The defendant further understands that the Court will
23 consider whether there is a basis for departure from the guideline
24 sentencing range (either above or below the guideline sentencing
25 range) because there exists an aggravating or mitigating
26 circumstance of a kind, or to a degree, not adequately taken into
27 consideration by the Sentencing Commission in formulating the
28 Guidelines. The defendant further understands that the Court, after

1 consultation and consideration of the Sentencing Guidelines, must
2 impose a sentence that is reasonable in light of the factors set
3 forth in 18 U.S.C. § 3553(a).

4 **B. Stipulations Affecting Guidelines Calculation:** The
5 government and the defendant agree that there is no material dispute
6 as to the following sentencing guidelines variables and therefore
7 stipulate to the following:

8 Count 1: Mortgage Fraud Scheme

9 **1. Base Offense Level:** The base offense level is 7.

10 U.S.S.G. 2B1.1(a)(1).

11 **2. Specific Offense Characteristics for wire fraud:**

12 **(a) Amount of loss:** The loss amount is greater
13 than \$1,000,000 but less than \$2,500,000, thus increasing the
14 offense level by 16. U.S.S.G. §2B1.1(b)(1)(I).

15 **(b) Sophisticated Means:** The offense involved the
16 use of sophisticated means to perpetrate the fraud, thus
17 increasing the offense level by 2. U.S.S.G. §2B1(b)(10).

18 **3. Chapter Three Adjustments:**

19 **(a) Abuse of Trust:** The defendant abused a position
20 of trust in a manner that significantly facilitated the
21 commission or concealment of the offense, thus increasing the
22 base offense level by 2. U.S.S.G. §3B1.3.

23 **4. Adjusted Offense Level: 27**

24 Count 7: Investment Fraud Scheme

25 **1. Base Offense Level:** The base offense level is 7.

26 U.S.S.G. 2B1.1(a)(1).

27 ////

28 ////

1 **2. Specific Offense Characteristics for wire fraud:**

2 **(a) Amount of loss:** The amount of loss is greater
3 than \$400,000 but less than \$1,000,000, thus increasing the
4 base offense level by 14. U.S.S.G. §2B1.1(b)(1)(H). 14

5 **(b) Sophisticated Means:** The offense involved the
6 use of sophisticated means to perpetrate the fraud, thus
7 increasing the offense level by 2. U.S.S.G. §2B1(b)(10). 14

8 **3. Chapter Three Adjustments:**

9 **(a) Abuse of Trust:** The defendant abused a position
10 of trust in a manner that significantly facilitated the
11 commission or concealment of the offense, thus increasing the
12 base offense level by 2. U.S.S.G. §3B1.3. 14

13 **4. Adjusted Offense Level: 25** 14

14 **5. Combined Offense Level:** Pursuant to U.S.S.G. §3D1.4,
15 two additional levels are added to the highest offense level,
16 resulting in an combined offense level of 29. 14

17 **6. Acceptance of Responsibility:** Based on the defendant's
18 timely notification to the government of his intention to plead
19 guilty, if the Probation Officer determines that the defendant
20 has accepted responsibility for his offenses, the government
21 agrees to recommend a 3 level decrease for acceptance of
22 responsibility pursuant to USSG §3E1.1. 14

23 **6. Criminal History:** The parties believe the defendant
24 falls into a Criminal History Category I. If the parties are
25 incorrect, the advisory guideline range set forth below, and
26 the government's sentencing recommendation will be effected
27 accordingly. 14

28 **7. Overall Offense Level: 26** 14

1 under the penalty of perjury and would be subject to cross-
2 examination by the defendant's attorney. AB

3 **4. Compulsory Process:** At the trial, the defendant would
4 be entitled to present witnesses and other evidence in his own
5 behalf and, if the witnesses refused to appear voluntarily, the
6 defendant would be entitled to use the court's process to compel
7 their attendance. AB

8 **5. Privilege Against Self Incrimination:** At a trial, the
9 defendant would have a privilege against self-incrimination so that
10 he could not be compelled to testify and the jury could be
11 instructed that no inference of guilt could be drawn from the
12 defendant's failure to testify. AB

13 **6. Right to Appeal:** If, after a trial, the defendant
14 were convicted, he would have a right to appeal the conviction. AB

15 **7. Representation of Counsel:** The defendant is entitled
16 to be represented by competent counsel through all stages of the
17 case, including appeal, and if the defendant could not afford an
18 attorney one would be appointed for him by the court.

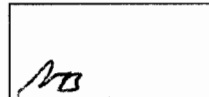
19 Defendant understands that by pleading guilty he is waiving all
20 of the rights set forth above. Defendant's attorney has explained
21 those rights to him and the consequences of his waiver of those
22 rights and the defendant freely and voluntarily consents to said
23 waiver. AB

24 **B. Waiver of Appeal and Collateral Attack:** The defendant
25 understands that the law gives him a right to appeal his conviction
26 and sentence. He agrees as part of his plea, however, to give up
27 the right to appeal the conviction and the right to appeal any
28 aspect of the sentence imposed in this case so long as his sentence

1 is no longer than the top of the Sentencing Guidelines range
2 determined by the Court consistent with the stipulations set forth
3 above about the Sentencing Guidelines variables (that is, a
4 combined pre-acceptance offense level of 29 or below). He
5 specifically gives up his right to appeal any order of restitution
6 the Court may impose.

7 Regardless of the sentence he receives, the defendant also
8 gives up any right he may have to bring a post-appeal attack on his
9 conviction or his sentence. He specifically agrees not to file a
10 motion under 28 U.S.C. § 2255 or § 2241 attacking his conviction or
11 sentence.

12 Notwithstanding the agreement in part III.A above that the
13 government will move to dismiss counts against the defendant, if the
14 defendant ever attempts to vacate his plea, dismiss the underlying
15 charges, or reduce or set aside his sentence on any of the counts to
16 which he is pleading guilty, the government shall have the right (1)
17 to prosecute the defendant on any of the counts to which he pleaded
18 guilty; (2) to reinstate any counts that may be dismissed pursuant
19 to this Plea Agreement; and (3) to file any new charges that would
20 otherwise be barred by this Plea Agreement. The decision to pursue
21 any or all of these options is solely in the discretion of the
22 United States Attorney's Office. By signing this Plea Agreement,
23 the defendant agrees to waive any objections, motions, and defenses
24 he might have to the government's decision. In particular, he
25 agrees not to raise any objections based on the passage of time with
26 respect to such counts including, but not limited to, any statutes
27 of limitation or any objections based on the Speedy Trial Act or the
28 Speedy Trial Clause of the Sixth Amendment.



1 voluntarily agree to it. Further, I have consulted with my attorney
2 and fully understand my rights with respect to the provisions of the
3 Sentencing Guidelines that may apply to my case. No other promises
4 or inducements have been made to me, other than those contained in
5 this Plea Agreement. In addition, no one has threatened or forced
6 me in any way to enter into this Plea Agreement. Finally, I am
7 satisfied with the representation of my attorney in this case.

8 DATED: 6-1-12

9
10 
ALONZO JACKSON BROWN, III
11 Defendant

12 **C. Attorney for United States:** I accept and agree to this
13 Plea Agreement on behalf of the government.

14 DATED: 6/7/12

15 BENJAMIN B. WAGNER
16 United States Attorney

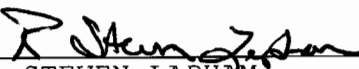
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18 By: 
R. STEVEN LAPHAM
19 Assistant U.S. Attorney

EXHIBIT "A"**Factual Basis for Plea**Investment Fraud Scheme

The defendant, ALONZO JACKSON BROWN, III, defrauded a Canadian citizen, herein identified as "CIM", by offering her an extremely high rate of return on the "private" sale of U.S. Treasury notes. Through telephonic and e-mailed communications BROWN and intermediaries with whom he was working told CIM that if she wired \$1 million (USD) into an account held by BROWN in the United States, BROWN would conduct four "trades" per week resulting in a return to the investor of weekly payouts in the amount of one million dollars for a period of eight weeks. BROWN received \$999,985 from CIM on 10/10/2008, and thereafter emailed "CIM" fabricated "screenshots" purporting to show that her money was in an investment account. At CIM's request, over the next two months BROWN wired \$364,000 back to her in three transactions. Although not the promised \$1 million per week return, CIM nevertheless believed these were profits generated by the investment of her money and not simply refunds of her principle. In fact, bank records show that BROWN made no attempts to invest the money or make the promised trades, but instead used the money for personal expenses, unauthorized investments of his own, and lulling payments back to the investor. BROWN stopped all communication with the investor in January of 2009 resulting in a loss to the investor of \$635,985.

Mortgage Fraud Scheme

BROWN, a licensed real estate broker, recruited two straw buyers to perpetrate a mortgage fraud scheme. The first straw buyer, identified in the indictment as "TS", legitimately purchased a house in November, 2005, using BROWN as her agent. Soon thereafter, BROWN asked TS to re-sign the papers due to some kind of mistake. Sullivan did so without scrutinizing the papers and only realized much later, when she ran a credit report, that BROWN had tricked her into signing loan papers for three other properties. The loan papers contained numerous material false statements as to TS's income, assets and employment. The applications also contained false and fraudulent supporting documentation. When Sullivan confronted BROWN about this, he admitted what he had done and promised to make things right but he never did.

A financial analysis shows that BROWN made the down payment on each of these properties and would typically make the mortgage payment for up to six months before defaulting and permitting the property to go into foreclosure. Each of these property transactions is described below.

1930 Buckingham Court, Fairfield, CA:

BROWN acquired title to Buckingham Court in August, 2005. He then "sold" it to TS the following month. The loan papers that were submitted to Countrywide for a \$351,000 loan contain numerous false

1 statements regarding TS's income and assets. Her bank statement was
2 also altered to make it appear that she had \$21,254 in savings
3 rather than \$1,254. The down payment on this property was paid by
4 BROWN from his 1st Pacific Credit Union account. BROWN also made the
5 mortgage payments for several months before defaulting and sending
6 the property into foreclosure. The original grant deed as well as
7 the foreclosure notice was mailed to a P.O. Box that was established
8 by BROWN. BROWN benefitted from the sale of Buckingham Drive by
9 receiving \$65,960.37 cash to seller. The loss to Countrywide for
10 the loan was \$231,500.

11 **3934 Kiara Circle, Fairfield, CA:**

12 BROWN "sold" this property to TS in January, 2007. The loan
13 papers that were submitted to Central Mortgage Company for a \$956K
14 loan contain numerous false statements regarding TS's income and
15 assets. The down payment on this property was paid for by BROWN from
16 his Washington Mutual account. BROWN also made several mortgage
17 payments either from BROWN's bank account or that of his girlfriend.
18 The settlement statement from Chicago Title Company reflects that
19 payoffs totaling \$183,500 went to AJB Corp., a company for which
20 BROWN is listed as the CEO (AJB are BROWN's initials). The loss to
21 Central Mortgage was \$371,000.

22 BROWN had a slightly different approach with TS's brother,
23 identified in the indictment as "LS." After establishing that LS
24 had a good credit score, BROWN asked if he would be interested in
25 going into a partnership to "flip homes." BROWN told LS that LS
26 would not have to come up with any money because BROWN would do
27 that. LS thereafter signed a bunch of papers without really reading
28 them and thought that he was partnering with BROWN on one property.
In fact, BROWN purchased three properties solely in LS's' name.
These transactions are described below.

19 **3911 Stonington Court, Fairfield, CA:**

20 This property was owned by BROWN who "sold" the property to LS
21 in March, 2006. The transaction followed the same pattern as those
22 involving TS. BROWN financed the down payment and made several
23 months worth of mortgage payments before defaulting. All paperwork
24 for the property was sent to the P.O. Box that BROWN had
25 established. As a result of this transaction, BROWN received
26 approximately \$100,000 while the lender sustained a \$381,000 loss.

24 **270 Holly Drive, Fairfield, CA:**

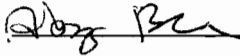
25 This property was also owned by BROWN. On 3/1/06, BROWN
26 received a foreclosure notice indicating that his loan was past due.
27 On 3/2/06, BROWN "sold" the property to LS, submitting an
28 application to the lender that was rife with false information,
including that LS had been employed by BROWN for the last 8 years
during which time he had received substantial income. After the
loan funded, BROWN made the mortgage payments on the first and the

1 second from two different bank accounts that he maintained. After
2 BROWN stopped making the payments and the property went into
foreclosure, the lender suffered a loss of \$168,000.

3 **3580 Springfield Drive, Fairfield, CA:**

4 This property was also owned by BROWN and "sold" to LS in
5 March, 2006, the same month as the other two properties. The
6 transaction follows the same pattern as the first two. The loan
7 application contained numerous false statements regarding LS's
income and assets, the down payment on was paid for by BROWN and
8 BROWN also made several mortgage payments before allowing the
property to go into default, causing the lender a loss of
approximately \$350,000.

9 **Read, reviewed and accepted.**

10  _____

11 **Alonzo Jackson Brown, III**

12 **Dated: June 1, 2012**

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