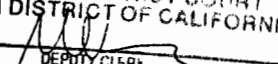


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CLERK, U.S. DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA
BY  DEPUTY CLERK

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

11	UNITED STATES OF AMERICA,	)	<i>2:10 CV 0223 JAM</i>
12	Plaintiff,)	
13	v.	)	VIOLATIONS: 18 U.S.C. §§ 371,
14	HODA SAMUEL,	)	1341, 1014 - Conspiracy to
15	CONNIE DEVERS,	)	Commit Mail Fraud and Make False
16	CHARLES ROBERT MANESS,	)	Statements in Mortgage
17	DANA FAULKNER,	)	Applications; 18 U.S.C. § 1341 -
18	TRACY PAINTER,	)	Mail Fraud (30 counts); 18 U.S.C.
19	YGNACIA BRADFORD,	)	§ 1014 - False Statements in
20	SEAN PATRICK GJERDE,	)	Mortgage Applications (17
	NICOLE DAWSON,	)	counts); 18 U.S.C. § 982(a)(2)(A)
	DANIEL HARRISON, and	)	- Forfeiture Allegations
	RONALD BURRIS, JR.,)	
	Defendants.)	

I N D I C T M E N T

COUNT ONE: [18 U.S.C. §§ 371, 1341, 1014 - Conspiracy To Commit Mail Fraud and Make False Statements in Mortgage Applications]

The Grand Jury charges:

HODA SAMUEL,
CONNIE DEVERS,
CHARLES ROBERT MANESS,
DANA FAULKNER,
TRACY PAINTER,

1 YGNACIA BRADFORD,
2 SEAN PATRICK GJERDE,
3 NICOLE DAWSON,
4 DANIEL HARRISON, and
5 RONALD BURRIS, JR.,

6 defendants herein, as follows:

7 1. Beginning no later than on or about April 5, 2006, and
8 continuing to at least on or about February 26, 2007, in the
9 State and Eastern District of California and elsewhere, the
10 defendants did knowingly combine, conspire and agree with each
11 other, and with others known and unknown to the Grand Jury, to
12 commit offenses against the United States of America, that is:
13 mail fraud, in violation of Title 18, United States Code, Section
14 1341; and false statements relating to mortgage applications, in
15 violation of Title 18, United States Codes, Section 1014.

16 A. Parties, Relevant Persons, Entities

17 At times material to this indictment:

18 2. The following entities were financial institutions
19 whose accounts were insured by the Federal Deposit Insurance
20 Corporation: Long Beach Mortgage; GE Money Bank; and Washington
21 Mutual Bank (collectively, "financial institutions").

22 3. The following entities were engaged in the business of
23 mortgage lending: First Franklin Financial; Option One Mortgage
24 Corp.; Lime Financial Services; Argent Mortgage Corp.; First NLC;
25 Capital Funding Solutions, Inc.; Trojan Lending Inc.; and New
26 Century Mortgage Corp. (collectively, "mortgage lenders").

27 4. The defendant HODA SAMUEL was a licensed real estate
28 broker with the California Department of Real Estate. She was
the owner and principal operator of Liberty Real Estate &
Investment Company, a real estate agency, which maintained its

1 office at 3141 Dwight Road, Suite 200, in Elk Grove, California.
2 Defendant SAMUEL was also the owner and principal operator of
3 Liberty Mortgage Company, a mortgage brokerage business, which
4 also maintained its office at 3141 Dwight Road, Suite 200, in Elk
5 Grove, California.

6 5. The defendant CONNIE DEVERS was employed by defendant
7 HODA SAMUEL and performed tasks for both Liberty Real Estate &
8 Investment Company and Liberty Mortgage Company. She was not
9 licensed by the California Department of Real Estate. Her duties
10 included, among other things, showing properties to prospective
11 buyers and preparing Uniform Residential Loan Applications (Form
12 1003).

13 6. The defendant CHARLES ROBERT MANESS was a licensed real
14 estate broker with the California Department of Real Estate. He
15 was employed as a loan officer with Liberty Mortgage Company, and
16 was additionally responsible for training and supervising Liberty
17 Mortgage Company employees.

18 7. The defendant DANA FAULKNER was employed by defendant
19 HODA SAMUEL and performed tasks for both Liberty Real Estate &
20 Investment Company and Liberty Mortgage Company. She was not
21 licensed by the California Department of Real Estate. Her duties
22 included, among other things, showing properties to prospective
23 buyers and preparing Uniform Residential Loan Applications.

24 8. The defendant TRACY PAINTER was employed by Liberty
25 Mortgage Company. In addition, she purchased a residential
26 property utilizing the services of Liberty Real Estate &
27 Investment Company and Liberty Mortgage Company.

28 9. The defendant YGNACIA BRADFORD was the owner of the

1 Oakland Youth Success Center, a non-profit entity that had no
2 employees and was non-operational. In addition, she purchased a
3 residential property utilizing the services of Liberty Real
4 Estate & Investment Company and Liberty Mortgage Company.

5 10. The defendant SEAN PATRICK GJERDE was an attorney,
6 licensed with the California State Bar. He maintained an office
7 at 8880 Elk Grove Boulevard, Suite A, in Elk Grove, California,
8 where he, among other things, provided tax consulting services
9 including the preparation of income tax returns.

10 11. The defendant NICOLE DAWSON purchased two residential
11 properties utilizing the services of Liberty Real Estate &
12 Investment Company and Liberty Mortgage Company.

13 12. The defendant DANIEL HARRISON purchased two residential
14 properties utilizing the services of Liberty Real Estate &
15 Investment Company and Liberty Mortgage Company.

16 13. The defendant RONALD BURRIS, JR. purchased three
17 residential properties utilizing the services of Liberty Real
18 Estate & Investment Company and Liberty Mortgage Company.

19 B. The Objects Of The Conspiracy

20 The objects of the conspiracy, among others, were as
21 follows:

22 14. The defendants sought to and did purchase real
23 properties and induce federally insured financial institutions
24 and mortgage companies to fund mortgages on residential
25 properties by submitting materially false and fraudulent loan
26 applications, and by taking other material acts that fraudulently
27 overstated the buyers' assets and ability to make future loan
28 payments, as well as overstating the value of the residential

1 properties. The defendants sought to and did enrich themselves
 2 either by receipt of substantial commissions/revenues associated
 3 with these real estate and loan transactions and/or receipt of
 4 substantial non-disclosed payments at the close of escrow of the
 5 transactions. Of the thirty residential property transactions
 6 that are the result of this conduct, at least twenty-eight have
 7 gone into foreclosure, resulting in a loss to lenders in excess
 8 of approximately \$5,500,000.

9 C. The Manner And Means Of The Conspiracy

10 The manner and means of the conspiracy were, in substance,
 11 as follows:

12 15. Between in or about April of 2006 and in or about
 13 February of 2007, defendant HODA SAMUEL and certain defendants
 14 who were employees of Liberty Real Estate & Investment Company
 15 and Liberty Mortgage Company were instrumental in effectuating
 16 the purchases of the following residential real properties in
 17 various communities in the State and Eastern District of
 18 California:

Closing Date	Property Description	Purchaser
04/12/06	168 Creekside Circle, Sacramento, California	YGNACIA BRADFORD
04/18/06	50 Quasar Circle, Sacramento, California	K.C.
05/12/06	2309 West Burton Way, Lodi, California	TRACY PAINTER
05/12/06	2337 Fruitridge Road, Sacramento, California	J.K.
05/19/06	30 Quasar Circle, Sacramento, California	J.K.
06/09/06	2305 John Still Drive, Sacramento, California	R.S.

1	06/15/06	5943 Clover Manor Way, Sacramento, California	RONALD BURRIS, JR
2			
3	06/22/06	5941 Clover Manor Way, Sacramento, California	RONALD BURRIS, JR
4	06/22/06	5945 Clover Manor Way, Sacramento, California	A.D.
5	06/22/06	5947 Clover Manor Way, Sacramento, California	A.D.
6			
7	06/30/06	10024 Shana Way, Elk Grove, California	RONALD BURRIS, JR
8	07/20/06	1316 Yosemite Circle, Oakley, California	NICOLE DAWSON
9			
10	08/24/06	9563 Tarbert Drive, Sacramento, California	H.M.
11	08/29/06	8633 Prairiewoods Drive, Sacramento, California	NICOLE DAWSON
12	08/31/06	341-45 Las Palmas, Sacramento, California	A.W.
13			
14	09/08/06	2928 Babson Drive, Elk Grove, California	A.W.
15	09/11/06	197 Stanford Avenue, Sacramento, California	C.D.
16	09/28/06	9720 Cariann Court, Elk Grove, California	A.C.
17			
18	10/20/06	2304 Evergreen Street, Sacramento, California	DANIEL HARRISON
19	10/26/06	130 Groth Circle, Sacramento, California	C.S.
20			
21	10/27/06	4515 54th Street, Sacramento, California	C.S.
22	11/08/06	8474 Sunblaze Way, Sacramento, California	T.J.
23	11/28/06	7481 Cosgrove Way, Sacramento, California	DANIEL HARRISON
24			
25	12/08/06	2930 Branch Street, Sacramento, California	D.J.
26	12/15/06	5831 79th Street, Sacramento, California	J.L.
27			
28			

01/03/07	5732 Riverside Drive, Olivehurst, California	D.J.
01/17/07	13 Briar Creek Court, Sacramento, California	R.W.
01/25/07	5705 Palm Avenue, Sacramento, California	K.C.
02/23/07	1064 Roanoke Avenue, Sacramento, California	K.C.
02/26/07	2012 Juliesse Avenue, Sacramento, California	L.B.

16. In all thirty of the transactions that were part of the conspiracy (the "real property transactions"), defendant HODA SAMUEL served as the real estate agent for the property purchaser. In approximately fifteen of the thirty transactions, defendant HODA SAMUEL served as the real estate agent for the property seller. In at least twenty-nine of the transactions, defendant HODA SAMUEL's company, Liberty Mortgage Company, served as the mortgage broker that secured financing for the purchaser.

17. Approximately twenty-six of the thirty transactions were accomplished through the obtaining of two mortgage loans (so-called "80/20 financing") that financed 100% of the purported purchase price. As part of the mortgage loan application process, borrowers and/or their brokers were required to complete forms such as a Uniform Residential Loan Application, a Request for Verification of Employment, a Request for Verification of Rent, and to provide copies of payroll check stubs, IRS Forms W-2, U.S. Individual Income Tax Returns, and any other information as required by the lenders. These completed forms were submitted by the borrower, or sometimes the borrower's employer and the borrower's accountant, to the mortgage loan officer who, in turn,

1 conveyed them to the to the lender for review and approval.

2 18. Certain defendants knowingly submitted and caused to
3 be submitted false and fraudulent information to the financial
4 institutions and other mortgage lenders to fraudulently procure
5 mortgage financing for the real property transactions. This
6 false and fraudulent information included, among other things,
7 the purchaser's: occupation and place of employment, income,
8 prior rental history, assets and other property owned,
9 and intent to occupy the property.

10 19. As part of the mortgage loan application process,
11 financial institutions and mortgage lenders would sometimes make
12 contact with persons listed as employers, landlords, and
13 accountants, to verify employment, income and rental history as
14 set forth in the mortgage loan application materials. Certain
15 defendants knowingly provided, and caused to be provided, false
16 "verifications" of this information.

17 20. During the eleven-month period relevant to this
18 Indictment, defendant HODA SAMUEL and her company, Liberty Real
19 Estate & Investment Company, represented nine individuals who
20 purchased more than one residential property. Two of these
21 individuals each purchased three residential properties over this
22 time period. As part of their efforts to fraudulently procure
23 mortgage financing and to conceal the fact that a single
24 individual was making more than one purchase, certain defendants
25 arranged for the closings of properties purchased by a single
26 individual to be scheduled in close proximity to each other and
27 engaged the services of separate title companies and mortgage
28 lenders. In addition, certain defendants failed to reveal to the

1 mortgage lenders the fact that a purchaser was applying for or
2 had already received financing to make a separate residential
3 home purchase, and omitted that information on the Uniform
4 Residential Home Applications which required the purchasers to
5 disclose liabilities and all real estate owned. Finally, despite
6 the fact that multiple individuals purchased more than one
7 residential property within a short time period, on each such
8 Uniform Residential Loan Application, it was indicated that the
9 purchaser would occupy the purchased property as his or her
10 primary residence.

11 21. As the real estate agent representing the purchasers of
12 the residential properties, defendant HODA SAMUEL and Liberty
13 Real Estate & Investment Company prepared and caused to be
14 prepared California Residential Purchase Agreement and Joint
15 Escrow Instruction forms, which included the purchaser's offered
16 purchase price. In approximately twenty-nine of the thirty
17 transactions, the proffered purchase price exceeded the seller's
18 asking price. Defendant HODA SAMUEL and Liberty Real Estate &
19 Investment Company then caused the difference between the
20 purchase price and the actual asking price, which ranged from
21 \$15,000 to \$45,000, to be diverted at the close of escrow from
22 the seller to either: the purchaser, friends and family of the
23 purchaser, or prior purchasers who had not yet received a
24 monetary payment.

25 22. To help accomplish this diversion of funds, defendant
26 HODA SAMUEL and Liberty Real Estate & Investment Company
27 frequently prepared and caused to be prepared an addendum to the
28 Residential Purchase Agreement which called for the difference

1 between the purchase price and the actual asking price to be paid
2 from the seller to a third party at the close of escrow. These
3 addenda, at times, falsely stated that the funds were to be used
4 for repairs to the properties, and frequently stated that the
5 repairs in question were necessary to make the residence
6 compliant with the "ADA," or Americans with Disabilities Act. In
7 fact, on many occasions purchasers who received these kickbacks
8 used the money for purposes other than the making of repairs.
9 Moreover, in most instances no repairs were effected to render a
10 property compliant with the Americans with Disabilities Act.

11 23. To help accomplish the diversion of funds, certain
12 defendants frequently prepared and caused to be prepared invoices
13 for repairs and other work purportedly done on the properties.
14 In almost every instance, these invoices were fraudulent, in that
15 they purported to issue from companies that did not exist for
16 work that was not performed. In almost every instance, certain
17 defendants ensured that copies of the addenda and the invoices
18 were transmitted to the title company administering the close of
19 escrow to ensure that defendants received payment of funds from
20 escrow.

21 24. Although the California Residential Purchase Agreement
22 includes a box which can be checked if there are addenda to the
23 Agreement, and although defendant HODA SAMUEL and Liberty Real
24 Estate & Investment Company prepared and caused to be prepared
25 both the Purchase Agreements and the addenda, often
26 simultaneously, the Purchase Agreements never indicated there
27 were addenda. Although in every instance the Purchase Agreements
28 were provided to the financial institutions and other mortgage

1 lenders, defendant HODA SAMUEL and Liberty Real Estate &
2 Investment Company frequently withheld the addenda reflecting the
3 diversion of funds at the close of escrow, thereby concealing the
4 true purchase price and diversion of funds from lenders.

5 25. Although in every instance the Purchase Agreements
6 were provided to the appraiser who was performing an evaluation
7 of the property for the mortgage lender, defendant HODA SAMUEL
8 and Liberty Real Estate & Investment Company frequently withheld
9 the addenda from the appraiser. This was done to conceal the
10 true purchase price and diversion of funds from the appraiser,
11 and thus, in turn, from the mortgage lender.

12 26. To help accomplish the diversion of funds, certain
13 defendants assured the property sellers and their agents that the
14 funds would be used to make needed repairs to the property. In
15 many instances, the defendants misrepresented that the purchaser,
16 and members of the purchaser's family, suffered from a disability
17 and thus needed the funds to render the property compliant with
18 the Americans with Disability Act. On more than one occasion,
19 the defendants misrepresented that the mortgage lender in
20 question was aware of the payment, and even that the lender in
21 question had a special program allowing the disbursement of funds
22 to be used on projects rendering residential properties ADA
23 compliant.

24 27. As part of the conspiracy, defendant HODA SAMUEL and
25 Liberty Real Estate & Investment Company obtained commissions and
26 fees in connection with the fraudulently procured loans.

27 28. As part of the conspiracy, defendant HODA SAMUEL and
28 Liberty Mortgage Company obtained loan closing fees and mortgage

1 brokerage fees from various lenders in connection with the
2 fraudulently procured loans.

3 29. As part of the conspiracy, certain defendants who made
4 false representations to mortgage lenders and escrow officers on
5 behalf of purchasers received payments from Liberty Real Estate &
6 Investment Company and Liberty Mortgage Company for doing so.

7 30. As part of the conspiracy, certain defendants who
8 purchased properties received payments at the close of escrow,
9 which represented the difference between the inflated purchase
10 price and the actual asking price.

11 D. Overt Acts In Furtherance Of The Conspiracy

12 In furtherance of the conspiracy and to accomplish its
13 objects, the defendants, and others known and unknown to the
14 Grand Jury, committed and caused to be committed the following
15 overt acts, among others, within the Eastern District of
16 California, and elsewhere:

17 31. On or about April 5, 2006, defendant CONNIE DEVERS
18 participated in the preparation of a false Uniform Residential
19 Loan Application for use in the financing of defendant YGNACIA
20 BRADFORD's purchase of 165 Creekside Circle. The application
21 falsely and fraudulently stated, among other things, that
22 defendant BRADFORD received \$650 a month in rental income.

23 32. On or about April 11, 2006, defendant CONNIE DEVERS
24 participated in the preparation of a false Uniform Residential
25 Loan Application for use in the financing of K.C.'s purchase of
26 50 Quasar Circle. The application falsely and fraudulently
27 stated, among other things, that K.C. was employed by Devers
28 Security and was paid \$1,500 a month for that position.

1 33. On or about May 3, 2006, defendant DANA FAULKNER
2 provided a false verification to a Long Beach Mortgage Company
3 employee indicating that J.K. had rented the property at 6883
4 Romanzo Way, Elk Grove, since January of 2003. This was done in
5 connection with J.K.'s purchase of the residence at 2237
6 Fruitridge Road.

7 34. On or about May 8, 2006, defendant TRACY PAINTER
8 signed, and defendant CONNIE DEVERS participated in the
9 preparation of, a false Uniform Residential Loan Application for
10 use in the financing of defendant PAINTER's purchase of 2309 West
11 Burton Way. The application falsely and fraudulently stated,
12 among other things, that defendant PAINTER had a second job as a
13 guidance counselor for the Oakland Youth Success Center and was
14 paid \$1,684 a month for that position, and that she additionally
15 received over \$1,000 a month from renters.

16 35. On or about June 3, 2006, defendant DANA FAULKNER
17 participated in the preparation of a false Uniform Residential
18 Loan Application for use in the financing of R.S.'s purchase of
19 2305 John Still Drive. The application falsely and fraudulently
20 stated, among other things, that R.S. was employed as an
21 Expediter Director for the Youth Success Center and her gross
22 income was \$5,166 per month.

23 36. On or about June 7, 2006, defendant YGNACIA BRADFORD
24 provided a false verification to an Argent Mortgage employee
25 indicating that A.D. had been employed as a counselor by the
26 Oakland Youth Success Center since 2004. This was done in
27 connection with A.D.'s purchase of the residence at 5947 Clover
28 Manor Way.

1 37. On or about June 6, 2006, defendant DANA FAULKNER
2 provided a false verification to a Long Beach Mortgage employee
3 indicating that defendant RONALD BURRIS, JR. had rented a
4 property from her since February of 2003. This was done in
5 connection with defendant BURRIS' purchase of the residence at
6 5943 Clover Manor Way.

7 38. On or about June 9, 2006, defendant RONALD BURRIS, JR.
8 signed a false Uniform Residential Loan Application for use in
9 the financing of his purchase of 5943 Clover Manor Way. The
10 application falsely and fraudulently stated, among other things,
11 that defendant BURRIS earned \$7,000 a month as the owner of PAK
12 Entertainment.

13 39. On or about June 20, 2006, defendant CONNIE DEVERS
14 transferred approximately \$6,000 from her Bank of America savings
15 account (no. XXXXXX6888) into defendant RONALD BURRIS, JR.'s Bank
16 of America checking account (no. XXXXXX0183). This was done in
17 connection with defendant BURRIS' purchase of the residence at
18 10024 Shana Way and in anticipation of a request for verification
19 of deposit by the proposed lender, First Franklin Financial.

20 40. On or about June 28, 2006, defendants YGNACIA BRADFORD
21 and NICOLE DAWSON both provided false and fraudulent verbal
22 verification of defendant RONALD BURRIS JR.'s employment to a
23 First Franklin Financial employee. This was done in connection
24 with defendant BURRIS' purchase of the residence at 10024 Shana
25 Way.

26 41. On or about July 6, 2006, defendant CHARLES ROBERT
27 MANESS provided a false assurance to the listing agent that the
28 purchase by defendant NICOLE DAWSON of the residence at 1316

1 Yosemite Circle was being financed pursuant to a special program
2 which made allowances for disabled persons to make improvements
3 to their properties.

4 42. On or about July 13, 2006, defendant CONNIE DEVERS
5 participated in the preparation of a false Uniform Residential
6 Loan Application for use in the financing of H.M.'s purchase of
7 9563 Tarbert Drive. The application falsely and fraudulently
8 stated, among other things, that H.M. was employed as a Site
9 Manager for White Enterprise and was paid \$11,545 a month for
10 that position.

11 43. On or about July 14, 2006, defendant NICOLE DAWSON
12 signed a false Uniform Residential Loan Application for use in
13 the financing of her purchase of 1316 Yosemite Circle. The
14 application falsely and fraudulently stated, among other things,
15 that defendant DAWSON was employed as a Director of Marketing by
16 Edwards, Henry and Associates and was paid \$11,500 a month for
17 that position.

18 44. On or about August 14, 2006, defendant CONNIE DEVERS
19 participated in the preparation of a false Uniform Residential
20 Loan Application for use in the financing of A.W.'s purchase of
21 2928 Babson Drive. The application falsely and fraudulently
22 stated, among other things, that A.W. was employed as a Web
23 Designer by Black Hollywood Network, and that he was paid \$8,620
24 a month in gross income for that position.

25 45. On or about August 23, 2006, a letter purportedly
26 signed by defendant SEAN PATRICK GJERDE was prepared and
27 subsequently submitted to Trojan Lending. The letter falsely
28 stated that defendant GJERDE had been A.W.'s "tax lawyer preparer

1 for the past five years" and confirmed that A.W.'s employment as
2 a web consultant for Black Hollywood Network. Shortly
3 thereafter, defendant GJERDE provided a false verbal verification
4 of the information in the letter to a Trojan Lending employee.
5 This was done in connection with A.W.'s purchase of the residence
6 at 341-345 Las Palmas.

7 46. On or about August 23, 2006, defendant CHARLES ROBERT
8 MANESS participated in the preparation of a false and fraudulent
9 proposal and contract purportedly issuing from "B__ D__ Ent."
10 calling for payment of \$35,000 for various improvements to the
11 residence located at 9563 Tarbert Drive, including making the
12 bathroom "ADA approved." This invoice was submitted in escrow
13 during H.M.'s purchase of the residence at 9563 Tarbert Drive,
14 and resulted in a payment of \$35,000 to B.D., H.M.'s minor
15 daughter.

16 47. On or about August 24, 2006, defendant NICOLE DAWSON
17 signed a false Uniform Residential Loan Application submitted for
18 financing of her purchase of the residence at 8633 Prairiewoods
19 Drive. The application falsely and fraudulently stated, among
20 other things, that defendant DAWSON had previously been employed
21 as a claims examiner for Edwards, Henry & Associates, and that
22 her monthly income was \$8,667. It also failed to disclose her
23 ownership (and attendant liabilities) of the property located at
24 1316 Yosemite Circle.

25 48. On or about September 26, 2006, defendant SEAN PATRICK
26 GJERDE signed a letter, which was subsequently submitted to
27 Trojan Lending, and which falsely stated that defendant GJERDE
28 had been A.C.'s "tax lawyer preparer for the past four years."

1 The letter falsely confirmed that A.C. "is the production
2 director for Bay Area Productions." In addition, defendant
3 GJERDE provided a false verbal verification of A.C.'s employment
4 to Trojan Lending. Finally, also included in the Trojan Lending
5 file was a false and fraudulent 2005 Form 1040 U.S. Individual
6 Income Tax Return for A.C., signed by defendant GJERDE as the
7 paid preparer, which falsely stated that A.C. was employed as a
8 Production Director for Bay Area Productions. All of this was
9 done in connection with A.C.'s purchase of the residence at 9720
10 Cariann Court.

11 49. On or about September 28, 2006, defendant HODA SAMUEL
12 participated in the preparation of a Residential Purchase
13 Agreement and Addendum relating to C.S.'s purchase of the
14 residence at 130 Groth Circle. The Purchase Agreement offered a
15 purchase price that exceeded the list price by approximately
16 \$30,000 and the Addendum stated that the Seller would credit
17 \$20,000 "towards remodeling/repairs to make ADA approved."

18 50. In connection with C.S.'s purchase of the residence at
19 130 Groth Circle, defendant HODA SAMUEL informed the listing
20 agent that C.S. had a daughter in a wheelchair and needed to
21 modify the home for her.

22 51. On or about October 12, 2006, defendant CONNIE DEVERS
23 participated in the preparation of a false Uniform Residential
24 Loan Application for use in the financing of C.S.'s purchase of
25 130 Groth Circle. The application falsely and fraudulently
26 stated, among other things, that C.S. was paid \$6,300 a month
27 from his employer and that he intended to occupy the property as
28 his primary residence.

1 52. On or about October 21, 2006, defendant DANIEL HARRISON
2 signed a false Uniform Residential Loan Application for use in
3 the financing of his purchase of 2304 Evergreen Street. The
4 application falsely and fraudulently stated, among other things,
5 that Harrison was employed as Director of the Oakland Youth
6 Success Center and was paid \$7,350 a month for that position.

7 53. On or about October 20, 2006, defendant YGNACIA
8 BRADFORD provided a false verification to a Washington Mutual
9 Bank employee that defendant DANIEL HARRISON was employed full
10 time as the Director of the Oakland Youth Success Center. This
11 was done in connection with defendant HARRISON's purchase of the
12 residence at 2304 Evergreen Street.

13 54. On or about October 20, 2006, defendant CONNIE DEVERS
14 provided a false verification to a Washington Mutual Bank
15 employee indicating that defendant DANIEL HARRISON had rented the
16 property at 697 Santiago Avenue, Sacramento, since August of
17 2004. This was done in connection with defendant HARRISON's
18 purchase of the residence at 2304 Evergreen Street.

19 55. On or about October 25, 2006, defendant HODA SAMUEL
20 participated in the preparation of a Residential Purchase
21 Agreement and Addendum relating to J.L.'s purchase of the
22 residence at 5831 79th Street. The Purchase Agreement offered a
23 purchase price that exceeded the list price by approximately
24 \$35,000, and the Addendum stated that the Seller would credit
25 \$30,000 "towards repairs/upgrades to make ADA approved."

26 56. On or about October 28, 2006, defendant HODA SAMUEL
27 informed the listing agent for the property at 5831 79th Street
28 that the credit was necessary because J.L.'s daughter was

1 confined to a wheelchair and J.L. needed to install a ramp and
2 lower counter-tops throughout the residence.

3 57. On or about November 13, 2006, defendant HODA SAMUEL
4 participated in the preparation of a Residential Purchase
5 Agreement and Addendum relating to D.J.'s purchase of the
6 residence at 2930 Branch Street. The Purchase Agreement offered
7 a purchase price that exceeded the list price by approximately
8 \$40,000, and the Addendum stated that the Seller would credit
9 \$30,000 "towards remodeling/repairs to make ADA approved."

10 58. On or about November 27, 2006, defendant NICOLE DAWSON
11 provided a false verification to a Washington Mutual Bank
12 employee indicating that D.J. had rented the property at 8633
13 Prairiewoods, Sacramento, since November of 2005. This was done
14 in connection with D.J.'s purchase of the residence at 2930
15 Branch Street.

16 59. On or about December 7, 2006, defendant CHARLES ROBERT
17 MANESS participated in the preparation of a false Uniform
18 Residential Loan Application for use in the financing of J.L.'s
19 purchase of 5831 79th Street. The application falsely and
20 fraudulently stated, among other things, that J.L. was employed
21 as a Marketing Director for Edwards, Henry & Associates, and that
22 he received \$7,385 per month in gross income.

23 60. In support of another of D.J.'s application for
24 financing, this one for the purchase of the residence at 5732
25 Riverside Drive, defendant SEAN PATRICK GJERDE signed a letter
26 dated December 27, 2006. The letter was submitted to Trojan
27 Lending, Inc., and falsely stated that defendant GJERDE had been
28 D.J.'s "tax lawyer preparer for the past three years" and falsely

1 confirmed that D.J. had been self-employed as a carpenter for
2 White Ent. for the past three years.

3 61. On or about December 27, 2006, defendant HODA SAMUEL
4 signed a fraudulent proposal and contract purporting to issue
5 from D.J. of J__ Construction for \$35,000 worth of remodeling to
6 the property at 5705 Palm Avenue, including a complete kitchen
7 remodel. The proposal and contract was submitted to escrow in
8 connection with K.C.'s purchase of the residence at 5705 Palm
9 Avenue, and resulted in a payment of \$35,000 to D.J., a Liberty
10 Real Estate & Investment Company customer.

11 62. On or about January 15, 2007, defendant TRACY PAINTER
12 provided a false verification to a Washington Mutual employee
13 indicating that R.W. had been employed by Painter, Zweifel and
14 Associates since January 1, 2004. This was done in connection
15 with R.W.'s purchase of the residence at 13 Briar Creek Court.

16 63. On or about February 21, 2007, defendant CONNIE DEVERS
17 participated in the preparation of a false Uniform Residential
18 Loan Application for use in the financing of L.B.'s purchase of
19 the residence at 2012 Juliesse Avenue. The application falsely
20 and fraudulently stated, among other things, that L.B. was
21 employed by Painter, Zweifel and Associates and was paid \$5,700 a
22 month.

23 64. On or about February 26, 2007, defendant DANA FAULKNER
24 provided a false verification to a Washington Mutual Bank
25 employee indicating that L.B. had rented the property located at
26 5740 Nina Way, Sacramento, since January of 2004. This was done
27 in connection with L.B.'s purchase of the residence at 2012
28 Juliesse Avenue.

1 65. On or about February 22, 2007, defendant CONNIE DEVERS
2 participated in the preparation of a false Uniform Residential
3 Loan Application for use in Liberty Mortgage Customer K.C.'s
4 financing of his purchase of the residence at 1064 Roanoke
5 Avenue. The application falsely and fraudulently stated, among
6 other things, that K.C. was employed by R&A Investment and
7 Property Management and was paid \$10,850 a month for that
8 position:

9 All in violation of Title 18, United States Code, Sections
10 371, 1341 and 1014.

11 COUNTS TWO THROUGH THIRTY-ONE: [18 U.S.C. § 1341 - Mail Fraud]

12 The Grand Jury further charges:

13 HODA SAMUEL,
14 CONNIE DEVERS,
15 CHARLES ROBERT MANESS,
16 DANA FAULKNER,
17 TRACY PAINTER,
18 YGNACIA BRADFORD,
19 SEAN PATRICK GJERDE,
20 NICOLE DAWSON,
21 DANIEL HARRISON, and
22 RONALD BURRIS, JR.,

23 defendants herein, as follows:

24 66. The allegations set forth in paragraphs Two through
25 Thirteen and Fifteen through Sixty-Five of this Indictment are
26 incorporated by reference as though set forth herein.

27 67. Beginning no later than on or about April 5, 2006, and
28 continuing to at least on or about February 28, 2007, in the
Eastern District of California, the defendants did devise and
intend to devise a material scheme and artifice to defraud
federally insured financial institutions and mortgage companies,
and to obtain money and property from said lenders by means of

1 material false and fraudulent pretenses, representations, and
2 promises.

3 68. The objects of the scheme to defraud are set forth in
4 paragraph Fourteen of the Indictment, which is incorporated by
5 reference as though set forth herein.

6 69. On or about the dates set forth below, in the State and
7 Eastern District of California, for the purpose of executing and
8 attempting to execute the aforementioned scheme and artifice to
9 defraud, the defendants did knowingly cause to be placed in a
10 post office or authorized depository for mail matter to be sent
11 and delivered by the United States Postal Service, and deposited
12 and caused to be deposited any matter or thing whatever to be
13 sent and delivered by any private or commercial interstate
14 carrier, and knowingly caused to be delivered by mail or such
15 carrier according to the direction thereon, the items listed
16 below:

<u>CT</u>	<u>DATE</u>	<u>SENDER</u>	<u>RECIPIENT</u>	<u>ITEM</u>
18 2	04/18/06	County of Sacramento: Clerk-Recorder, 600 8th Street, Sacramento, CA	Long Beach Mortgage, P.O. Box 201085, Stockton, CA	Deed of Trust re: 50 Quasar Circle, Sacramento
21 3	04/12/06	County of Sacramento: Clerk-Recorder, 600 8th Street, Sacramento, CA	Long Beach Mortgage Co., P.O. Box 201085, Stockton, CA	Deed of Trust re: 165 Creekside Circle, Sacramento
24 4	05/12/06	County of San Joaquin, 44 N. San Joaquin Street, Ste. 260, Stockton, CA	Long Beach Mortgage Co., P.O. Box 201085, Stockton, CA	Deed of Trust re: 2309 West Burton Way, Lodi

1	5	05/12/06	County of Sacramento: Clerk-Recorder, 600 8th Street, Sacramento, CA	Long Beach Mortgage Co., P.O. Box 201085, Stockton, CA	Deed of Trust re: 2237 Fruitridge Rd, Sacramento
2					
3					
4	6	05/19/06	County of Sacramento: Clerk-Recorder, 600 8th Street, Sacramento, CA	New Century Mortgage Corp., 18400 Von Karman, Ste. 1000, Irvine, CA	Deed of Trust re: 30 Quasar Circle, Sacramento
5					
6					
7					
8	7	06/09/06	County of Sacramento: Clerk-Recorder, 600 8th Street, Sacramento, CA	Long Beach Mortgage Co., 2210 Enterprise Drive, Florence, SC	Deed of Trust re: 2305 John Still Drive, Sacramento
9					
10					
11	8	06/19/06	County of Sacramento: Clerk-Recorder, 600 8th Street, Sacramento, CA	Long Beach Mortgage, 2210 Enterprise Drive, Florence, SC	Deed of Trust re: 5943 Clover Manor Way, Sacramento
12					
13					
14	9	06/22/06	County of Sacramento: Clerk-Recorder, 600 8th Street, Sacramento, CA	Option One Mortgage Corp., P.O. Box 57096, Irvine, CA	Deed of Trust re: 5941 Clover Manor Way, Sacramento
15					
16					
17					
18	10	06/22/06	County of Sacramento: Clerk-Recorder, 600 8th Street, Sacramento, CA	First NLC Financial Services, 700 W. Hillsboro Blvd. B-1 #204, Deerfield Beach, FL	Deed of Trust re: 5945 Clover Manor Way, Sacramento
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20					
21					
22	11	06/23/06	County of Sacramento: Clerk-Recorder, 600 8th Street, Sacramento, CA	Argent Mortgage Co., 2100 Alt 19 North, Palm Harbor, FL	Deed of Trust re: 5947 Clover Manor Way, Sacramento
23					
24					
25	12	06/30/06	County of Sacramento: Clerk-Recorder, 600 8th Street, Sacramento, CA	First Franklin, 1935 International Way, Idaho Falls, ID	Deed of Trust re: 10024 Shana Way, Elk Grove
26					
27					
28					

1	13	07/20/06	Contra Costa County Recorder's Office, 555 Escobar Street, Martinez, CA	NICOLE DAWSON, P.O. Box 580844, Elk Grove, CA	Individual Grant Deed re: 1316 Yosemite, Circle, Oakley
2					
3					
4	14	08/24/06	County of Sacramento: Clerk-Recorder, 600 8th Street, Sacramento, CA	Option One Mortgage Corp., P.O. Box 57096, Irvine, CA	Deed of Trust re: 9563 Tarbert Dr., Sacramento
5					
6					
7	15	08/29/06	County of Sacramento: Clerk-Recorder, 600 8th Street, Sacramento, CA	Option One Mortgage Corp., P.O. Box 57096, Irvine, CA	Deed of Trust re: 8633 Prairie-woods Dr., Sacramento
8					
9					
10	16	08/31/06	County of Sacramento: Clerk-Recorder, 600 8th Street, Sacramento, CA	Trojan Lending, Inc., 1518 Washington Blvd., Montebello, CA	Deed of Trust re: 341-345 Las Palmas, Sacramento
11					
12					
13					
14	17	09/11/06	County of Sacramento: Clerk-Recorder, 600 8th Street, Sacramento, CA	Option One Mortgage Corp., P.O. Box 57096, Irvine, CA	Deed of Trust re: 197 Stanford Avenue, Sacramento
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16					
17	18	09/11/06	County of Sacramento: Clerk-Recorder, 600 8th Street, Sacramento, CA	Argent Mortgage Co., 2100 Alt 19 North, Palm Harbor, FL	Deed of Trust re: 2928 Babson Drive, Elk Grove
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19					
20	19	09/29/06	County of Sacramento: Clerk-Recorder, 600 8th Street, Sacramento, CA	Trojan Lending, Inc., 1518 Washington Blvd., Montebello, CA	Deed of Trust re: 9720 Cariann Court, Elk Grove
21					
22					
23	20	10/16/06	County of Sacramento: Clerk-Recorder, 600 8th Street, Sacramento, CA	Washington Mutual Bank, 2210 Enterprise Drive, Florence, SC	Deed of Trust re: 130 Groth Circle, Sacramento
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25					
26					
27					
28					

1	21	10/26/06	County of Sacramento: Clerk-Recorder, 600 8th Street, Sacramento, CA	Washington Mutual Bank, 2210 Enterprise Drive, Florence, SC	Deed of Trust re: 2304 Evergreen Street, Sacramento
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3					
4					
5	22	10/27/06	County of Sacramento: Clerk-Recorder, 600 8th Street, Sacramento, CA	Argent Mortgage Co., 2100 Alt 19 North, Palm Harbor, FL	Deed of Trust re: 4515 54th Street, Sacramento
6					
7					
8	23	11/08/06	County of Sacramento: Clerk-Recorder, 600 8th Street, Sacramento, CA	Option One Mortgage Corp., P.O. Box 57096, Irvine, CA	Deed of Trust re: 8474 Sunblaze Way, Sacramento
9					
10					
11	24	11/28/06	County of Sacramento: Clerk-Recorder, 600 8th Street, Sacramento, CA	Capital Funding Solutions, Inc., 655 University Ave., Ste. 123, Sacramento, CA	Deed of Trust re: 7481 Cosgrove Way, Sacramento
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13					
14					
15	25	12/08/06	County of Sacramento: Clerk-Recorder, 600 8th Street, Sacramento, CA	Washington Mutual Bank, 2210 Enterprise Drive, Florence, SC	Deed of Trust re: 2930 Branch St., Sacramento
16					
17					
18					
19	26	12/15/06	County of Sacramento: Clerk-Recorder, 600 8th Street, Sacramento, CA	Capital Funding Solutions, Inc., 655 University Ave., Ste. 123, Sacramento, CA	Deed of Trust re: 5831 79th Street, Sacramento
20					
21					
22					
23	27	01/03/07	Yuba County Recorder, 915 8th Street, Marysville, CA	Trojan Lending, Inc., 1518 Washington Blvd., Montebello, CA	Deed of Trust re: 5732 Riverside Dr. Olivehurst
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26					
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28					

1	28	01/17/07	County of Sacramento: Clerk-Recorder, 600 8th Street, Sacramento, CA	Washington Mutual Bank, 2210 Enterprise Drive, Florence, SC	Deed of Trust re: 13 Briar Creek Court, Sacramento
2					
3					
4					
5	29	01/25/07	County of Sacramento: Clerk-Recorder, 600 8th Street, Sacramento, CA	Option One Mortgage Corp., P.O. Box 57096, Irvine, CA	Deed of Trust re: 5705 Palm Avenue, Sacramento
6					
7					
8	30	02/26/07	County of Sacramento: Clerk-Recorder, 600 8th Street, Sacramento, CA	WMC Mortgage Corp., 3100 Thornton Ave., Burbank, CA	Deed of Trust re: 1064 Roanoke Avenue, Sacramento
9					
10					
11	31	02/28/07	County of Sacramento: Clerk-Recorder, 600 8th Street, Sacramento, CA	Washington Mutual Bank, 2210 Enterprise Drive, Florence, SC	Deed of Trust re: 2012 Juliesse Avenue, Sacramento
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13					
14					

15 All in violation of Title 18, United States Code, Sections
 16 1341 and 2.

17 COUNTS THIRTY-TWO THROUGH FORTY-EIGHT: [18 U.S.C. § 1014 - False
 18 Statements in Mortgage Applications]

19 70. The allegations set forth in paragraphs Two through
 20 Thirteen and Fifteen through Sixty-Five of this Indictment are
 21 incorporated by reference as though set forth herein.

22 71. On or about the dates enumerated below in the Eastern
 23 District of California, the defendants enumerated as to each
 24 count, did knowingly make and cause to be made false statements,
 25 for the purpose of influencing the actions of financial
 26 institutions the accounts of which were insured by the Federal
 27 Deposit Insurance Corporation, in connection with applications
 28 for residential loans, as more particularly described below:

COUNT	DATE	DEFENDANT	BANK (property)	FALSE STATEMENT
32	04/05/06	DEVERS	Long Beach Mortgage (165 Creekside Drive)	See Paragraph 31
33	04/11/06	DEVERS	Long Beach Mortgage (50 Quasar Circle)	See Paragraph 32
34	05/03/06	FAULKNER	Long Beach Mortgage (2237 Fruitridge Road)	See Paragraph 33
35	05/08/06	DEVERS, PAINTER	Long Beach Mortgage (2309 West Burton Way)	See Paragraph 34
36	06/03/06	FAULKNER	Long Beach Mortgage (2305 John Still Drive)	See Paragraph 35
37	06/06/06	FAULKNER	Long Beach Mortgage (5943 Clover Manor Way)	See Paragraph 37
38	06/09/06	BURRIS	Long Beach Mortgage (5943 Clover Manor Way)	See Paragraph 38
39	07/14/06	DAWSON	Long Beach Mortgage (1316 Yosemite Circle)	See Paragraph 43
40	10/12/06	DEVERS	Washington Mutual Bank (130 Groth Circle)	See Paragraph 51
41	10/20/06	BRADFORD	Washington Mutual Bank (2304 Evergreen Street)	See Paragraph 53
42	10/20/06	DEVERS	Washington Mutual Bank (2304 Evergreen Street)	See Paragraph 54
43	10/21/06	HARRISON	Washington Mutual Bank (2304 Evergreen Street)	See Paragraph 52
44	11/27/06	DAWSON	Washington Mutual Bank (2930 Branch Street)	See Paragraph 58
45	01/15/07	PAINTER	Washington Mutual Bank (13 Briar Creek Court)	See Paragraph 62

46	02/21/07	DEVERS	Washington Mutual Bank (2012 Juliesse Avenue)	See Paragraph 63
47	02/22/07	DEVERS	GE Money Bank (1064 Roanoke Avenue)	See Paragraph 65
48	02/26/07	FAULKNER	Washington Mutual Bank (2012 Juliesse Avenue)	See Paragraph 64

All in violation of Title 18, United States Code, Sections 2 and 1014.

FORFEITURE ALLEGATION: [18 U.S.C. § 982(a)(2)(A) - Forfeiture; 28 U.S.C. § 2461(c); Fed. R. Crim. P. 32.2]

72. The allegations set forth in paragraphs One through Seventy-One of this Indictment are incorporated by reference as though set forth herein for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 982(a)(2)(A).

73. Upon a conviction of any of the offenses alleged in Counts One through Forty-Eight, the defendants,

HODA SAMUEL,
 CONNIE DEVERS,
 CHARLES ROBERT MANESS,
 DANA FAULKNER,
 TRACY PAINTER,
 YGNACIA BRADFORD,
 SEAN PATRICK GJERDE,
 NICOLE DAWSON,
 DANIEL HARRISON, and
 RONALD BURRIS, JR.,

shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(2)(A), any property constituting or derived from, gross proceeds obtained, directly or indirectly, as a result of such violation, including but not limited to the following:

1 (a) A sum of money equal to the total amount of money
2 involved in the scheme, for which defendant is
3 convicted, in an amount not less than \$5,500,000.

4 74. If any property subject to forfeiture, as a result of
5 the offenses alleged in Counts One through Forty-Eight of this
6 Indictment:

7 (a) cannot be located upon the exercise of due diligence;

8 (b) has been transferred or sold to, or deposited with, a
9 third person;

10 (c) has been placed beyond the jurisdiction of the Court;

11 (d) has been substantially diminished in value; or

12 (e) has been commingled with other property which cannot be
13 subdivided without difficulty;

14 it is the intent of the United States, pursuant to Title 18,
15 United States Code, Section 982(b)(1), incorporating Title 21,
16 United States Code, Section 853(p), to seek forfeiture of any
17 other property of said defendants up to the value of the property
18 subject to forfeiture.

19 All pursuant to 18 U.S.C. § 982(a)(2)(A) and 28 U.S.C.
20 § 2461(c).

21
22 **/s/ Signature on file w/AUSA**

23
24 _____
FOREPERSON

25 *Benjamin B. Wagner for*
26 BENJAMIN B. WAGNER
United States Attorney

UNITED STATES DISTRICT COURT

Eastern District of California

Criminal Division

THE UNITED STATES OF AMERICA

vs.

HODA SAMUEL,
CONNIE DEVERS,
CHARLES ROBERT MANESS,
DANA FAULKNER,
TRACY PAINTER,
YGNACIA BRADFORD,
SEAN PATRICK GJERDE,
NICOLE DAWSON,
DANIEL HARRISON, and
RONALD BURIS, JR.

INDICTMENT

VIOLATION(S): 18 U.S.C. §§ 371, 1341, 1014 - Conspiracy to Commit Mail Fraud and Make False Statements in Mortgage Applications; 18 U.S.C. § 1341 - Mail Fraud; 18 U.S.C. § 1014 - False Statements in Mortgage Applications; 18 U.S.C. § 982(a)(2)(A)- Forfeiture Allegations

A true bill,

15/

Foreman.

Filed in open court this 10 day

of June, A.D. 2010

[Signature]
Clerk.

Bail, \$ **NO BAIL WARRANT** as to all As
[Signature]

Count One 18 USC 371 (Conspiracy): All Defendants

5 year term of imprisonment
Fine up to \$250,000
3 year term of supervised release
\$100 special assessment

Counts Two through Thirty-One 18 U.S.C. 1341 (Mail Fraud): All Defendants

20 year term of imprisonment
Fine up to \$250,000
3 year term of supervised release
\$100 special assessment

Counts Thirty-Two through Forty-Eight 18 USC 1014 (False Statement Re: Loan Application):

CONNIE DEVERS (Counts 32, 33, 35, 40, 42, 46, 47),
DANA FAULKNER (Counts 34, 36, 37, 48),
TRACY PAINTER (Counts 35, 45),
YGNACIA BRADFORD (Count 41),
NICOLE DAWSON (Counts 39, 44),
DANIEL HARRISON (Count 43), and
RONALD BURRIS, JR. (Count 38)

30 year term of imprisonment
Fine up to \$1,000,000
5 year term of supervised release
\$100 special assessment

Forfeiture: As alleged in the indictment