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U.S. DISTRICT COURT
NORTHERN DISTRICT OF OHIO

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

UNITED STATES OF AMERICA,)
)
 Plaintiff,)
 v.)
)
 MATTHEW L. SONGER,)
 KEVIN D. BARCOMB,)
 DAWN M. HEDGES,)
 RONALD L. KIGHTLINGER, JR., and)
 PETER R. LAMB.)
)
 Defendants.)

INFORMATION
1:12 CR 422
CASE NO. _____
Title 18, Sections 371,
United States Code
JUDGE **JUDGE NUGENT**

The United States Attorney charges:

COUNT 1 - CONSPIRACY

General Allegations

At all times material herein:

1. Defendant MATTHEW L. SONGER ("SONGER") was one of the owners and operators of S.S. Real Estate Investments, Ltd., ("S.S."), which bought and sold properties throughout the Crestline and Mansfield, Ohio areas.

2. Defendant KEVIN D. BARCOMB (“BARCOMB”) was an unlicensed loan officer working with C.W., an individual known to the U.S. Attorney but not charged herein, at Stonegate Mortgage & Financial Services, Inc. (“Stonegate”), located in Westerville, Ohio to complete false and fraudulent loan applications for the purpose of purchasing SONGER’s properties. BARCOMB completed the false and fraudulent loan applications on approximately 67 of the properties sold by SONGER and S.S. Because BARCOMB was not licensed as a loan officer in the State of Ohio, BARCOMB either asked C.W. to sign the loan applications without reviewing them, or BARCOMB simply signed C.W.’s name to the loan applications.

3. Defendant DAWN M. HEDGES (“HEDGES”) worked as a title agent for Crawford Title Agency, Inc., d.b.a. ACS Title & Closing Services, (“ACS”), located in Bucyrus, Ohio and was licensed by the State of Ohio. ACS served as the title agent on approximately 67 properties sold by SONGER and S.S. The financial institutions and mortgage lenders relied on HEDGES to prepare accurate and truthful settlement statements, or HUD-1s, to collect the down payment funds from the borrowers at closing, and distribute the mortgage proceeds according to the HUD-1s that have been approved by the financial institution and mortgage lenders.

4. Defendant RONALD L. KIGHTLINGER, JR. (“KIGHTLINGER”) purchased approximately 40 properties from SONGER and S.S. in the Mansfield and Crestline, Ohio areas.

5. Defendant PETER R. LAMB (“LAMB”) purchased approximately 27 properties from SONGER and S.S. in the Crestline, Ohio area.

6. B.C., an individual known to the U.S. Attorney but not charged herein, was an appraiser licensed by the State of Ohio. B.C. appraised approximately 67 of the properties sold by SONGER and S.S. The financial institutions and mortgage lenders relied on B.C. to provide

a disinterested, unbiased evaluation of the fair market value of the properties.

7. Geauga Savings Bank (“Gauga”) was a financial institution as defined in 18 U.S.C. § 20, in that its assets were insured by the Federal Deposit Insurance Corporation (“FDIC”).

8. Suntrust Mortgage, Inc. (“Suntrust”) and American Brokers Conduit, a division of American Home Mortgage, Corp. (“ABC”) were mortgage lenders with their principal places of business located outside of the State of Ohio that funded the purchase of properties by wiring funds into ACS located in the Northern District of Ohio.

The Conspiracy

9. From on or about May 5, 2006, through on or about June 20, 2007, the exact dates unknown to the U.S. Attorney, in the Northern District of Ohio, Eastern Division, Defendants MATTHEW L. SONGER, KEVIN D. BARTCOMB, DAWN M. HEDGES, RONALD L. KIGHTLINGER, JR., PETER R. LAMB, and B.C., and others known and unknown to the U.S. Attorney, did knowingly and voluntarily combine, conspire, confederate and agree with one another to commit certain offenses against the United States, that is (1) to knowingly execute and attempt to execute a scheme and artifice to defraud a financial institution and to obtain money and property under the custody and control of a financial institution by means of materially false and fraudulent pretenses, representations and promises in violation of Title 18, United States Code, Section 1344; and, (2) to devise and intend to devise a scheme to defraud mortgage lenders and to obtain money and property by means of false and fraudulent pretenses and representations and to transmit and cause to be transmitted interstate wire communications in furtherance of the scheme in violation of Title 18, United States Code, Section 1343.

Object of Conspiracy

10. The object of the conspiracy was to enrich SONGER, BARCOME, HEDGES, KIGHTLINGER, LAMB, B.C., as well as others, by defrauding a financial institution and mortgage lenders through the submission of false and fraudulent mortgage loan applications in the name of KIGHTLINGER and LAMB and the creation of false and fraudulent settlement statements, thus inducing the financial institution and mortgage lenders to finance the purchase of 67 properties located in the Mansfield and Crestline, Ohio areas, at an inflated appraised value.

Manner and Means

It was part of the conspiracy that:

11. From in or around May 2006, through in or around June 2007, SONGER and S.S. owned approximately 100 rental properties and decided to liquidate all of their rental properties in and around the Mansfield and Crestline, Ohio areas because most of the properties had fallen into disrepair and SONGER could no longer retain renters and collect sufficient rental payments to make owning these properties profitable.

12. SONGER met KIGHTLINGER through their involvement in the auto repair industry. KIGHTLINGER expressed his interest in getting involved in real estate and his desire to purchase rental properties. SONGER advise KIGHTLINGER that he had several rental properties that he owned through S.S. and wanted to sell them.

13. SONGER advised KIGHTLINGER that KIGHTLINGER could purchase the rental properties from S.S. with no money down, and SONGER promised KIGHTLINGER that KIGHTLINGER would receive cash back after the closing of each property in order to assist

KIGHTLINGER with the needed repairs to the properties.

14. SONGER enlisted the services of a loan officer to complete the initial loan applications for KIGHTLINGER without advising the initial loan officer that SONGER was providing the down payment funds for KIGHTLINGER. Instead, it was made to look to the mortgage lenders that KIGHTLINGER provided the down payments from his own personal funds.

15. As KIGHTLINGER continued to purchase properties from SONGER and S.S., SONGER enlisted the services of BARCOMB to prepare the loan applications. He did so because, in order for KIGHTLINGER to qualify to purchase the additional rental properties, the loan officer needed to know to falsify the source of KIGHTLINGER's down payment. BARCOMB knowingly falsified material information on the loan applications, specifically: the source of KIGHTLINGER's down payment funds.

16. BARCOMB recruited LAMB, an individual he met through family ties, to purchase approximately 27 of SONGER's properties in the Crestline, Ohio area. BARCOMB and SONGER advised LAMB that he could purchase these properties with no money down and that LAMB would receive cash back after the closing of each property in order to assist LAMB with the needed repairs to the properties. In addition, SONGER advised LAMB that SONGER and S.S. would continue to manage and maintain the rental properties LAMB purchased for him.

17. BARCOMB prepared the false and fraudulent loan applications in LAMB's name making it appear to the mortgage lenders that LAMB provided the down payments from his personal funds, when in fact SONGER, BARCOMB and LAMB knew that SONGER provided the down payment funds.

18. KIGHTLINGER and LAMB signed their mortgage loan applications and allowed them to be submitted to the financial institution and mortgage lenders knowing that they contained the false information regarding the source of their down payment funds. The loan applications asserted to the financial institution and mortgage lenders that they provided their down payment from their own personal funds when they knew that SONGER provided the down payments.

19. SONGER enlisted the services of HEDGES and ACS on approximately 67 properties involved in the mortgage fraud scheme. HEDGES prepared the HUD-1s to make it appear to the financial institution and mortgage lenders that KIGHTLINGER and LAMB provided the down payment from their own personal funds, when in fact SONGER provided the down payment funds. SONGER, KIGHTLINGER and LAMB signed the HUD'1s knowing that Kightlinger and Lamb had not provided the down payments from their own personal funds.

20. SONGER also enlisted the services of B.C. to produce appraisal reports to support the significantly inflated purchase prices listed on the purchase agreements prepared by SONGER. The purchase prices listed on the purchase agreements wer not based on the fair market value of the properties, but based on the amount of excess funds SONGER needed to obtain from the properties in order to complete the mortgage fraud scheme. SONGER needed enough money to repay the bank from which he initially bought the properties, to provide cash back to KIGHTLINGER and LAMB for purchasing the properties, and to profit himself.

21. Geauga, Suntrust and ABC approved the loan applications described above and funded the purchase of approximately 67 properties by wiring the funds from outside the State of Ohio to ACS. Then, ACS distributed the monies to SONGER and S.S., and SONGER in turn

distributed a portion of the excess funds to the others involved in the scheme.

22. Every property for which Defendants secured a mortgage loan went into foreclosure, resulting in a total loss of approximately \$2,248,978, with Geauga incurring a loss of approximately \$179,500, Suntrust incurring a loss of approximately \$1,850,159 and ABC incurring a loss of approximately \$219,309.

Overt Acts

23. On or about the dates indicated, in furtherance of the conspiracy and to effect its objects, the defendants listed below, along with co-conspirators described above, committed and caused to be committed the following overt acts, among others; that is, they submitted mortgage loan applications and settlement statements on the following real estate transactions to Geauga, Suntrust and ABC in order to induce the financial institution and mortgage lenders to approve the loans and fund the purchase of the properties.

<u>Overt Act</u>	<u>Date of Closing</u>	<u>Property Address</u>	<u>Defendants Involved</u>
A	5/5/2006	74 Hedges Street Mansfield, Ohio	SONGER, BARCOMB, HEDGES and KIGHTLINGER
B	5/11/2007	98 S. Foster Street Mansfield, Ohio	SONGER, BARCOMB, HEDGES and KIGHTLINGER
C	7/31/2006	111 N. Pearl Street Crestline, Ohio	SONGER, BARCOMB, HEDGES and LAMB
D	8/16/2006	375 N. Wiley Street Crestline, Ohio	SONGER, BARCOMB, HEDGES and LAMB
E	9/15/2006	320 Park Road Crestline, Ohio	SONGER, BARCOMB, HEDGES and LAMB

<u>Overt Act</u>	<u>Date of Closing</u>	<u>Property Address</u>	<u>Defendants Involved</u>
F	6/20/2007	213 Hedges Street Mansfield, Ohio	SONGER, BARCOMB, HEDGES and KIGHTLINGER

All in violation of Title 18, United States Code, Section 371.

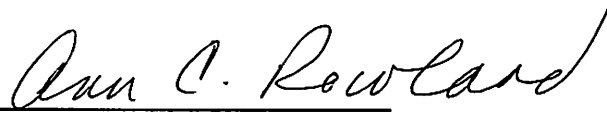
A TRUE BILL

(Original document -- Signatures on file with the Clerk of Court, pursuant to E-Government Act of 2002.)

United States v. Matthew L. Songer, et al.

A TRUE BILL.

STEVEN M. DETTELBACH
United States Attorney

By: 
ANN C. ROWLAND
Chief, Major Fraud and Corruption Unit