

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

FILED
U.S. DISTRICT COURT
EASTERN DISTRICT OF TEXAS
MAR 11 2009
DAVID J. MALAND, CLERK

UNITED STATES OF AMERICA §
§
V. §
REGINALD DAVIS §

CRIMINAL NO. 4:09CR 36
(Judge Crone)

BY _____
DEPUTY

INDICTMENT

COUNT 1

Violation: 18 U.S.C. § 371
(Conspiracy to commit Mail Fraud)

THE UNITED STATES GRAND JURY CHARGES THAT:

A. INTRODUCTION

At all times material to this indictment:

1. The "Real Estate Investor" was a person known to the Grand jury. The Real Estate Investor controlled entities known as Global Investments, Global Investment Group, Global MAP Corp., and Global Map Properties. The Real Estate Investor controlled bank accounts in the name of Global Investments, Global Investment Group, and Global Map Properties.
2. Federal Express was an interstate commercial carrier.

B. THE CONSPIRACY

3. From in or about, March 2005 through in or about October 2006, the defendant, REGINALD DAVIS ("DAVIS"), together with the Real Estate Investor and others, both known and unknown to the Grand jury did knowingly and willfully combine, conspire, confederate and agree together and with each other to devise a scheme and artifice to defraud and to obtain money and property from mortgage companies by means of materially false and fraudulent pretenses, representations and promises, and for the purpose of executing the scheme and artifice, to knowingly send and deliver a matter and thing by private and interstate commercial carrier, a violation of Title 18, United States Code, Section 1341.

C. THE MANNER AND MEANS OF THE CONSPIRACY

It was a part of the conspiracy and the scheme and artifice that:

4. The Real Estate Investor brokered the sales of residential real estate, which real estate was being sold by third parties, and in some cases being sold by himself.

THIRD PARTY SELLERS

5. The Real Estate Investor would find residential properties that were advertised as "For Sale By Owner". The Real Estate Investor would contact the sellers ("Sellers") and offer to sell the property for them, to a third party, for a price that was substantially above the Sellers' sales price. In return for the service, the Real Estate

Investor would tell the Sellers that he wanted to keep the amount that was the difference between the Sellers' original asking price and the final, increased sales price that he would obtain for the property.

THE APPRAISAL

6. The Real Estate Investor would obtain a real estate appraiser to appraise the property, which would result in an appraisal value that was substantially in excess of the Sellers' original asking price. In those cases where the Real Estate Investor was selling his own property, the appraisal value would be substantially greater than the price that the Real Estate Investor had paid to purchase the property.

THE BUYERS

7. The Real Estate Investor would then recruit DAVIS to purchase one of the residences referred to in paragraph five. The Real Estate Investor would pay DAVIS a fee for purchasing the property. In order to obtain approval of a mortgage loan for DAVIS, The Real Estate Investor and DAVIS would knowingly cause materially false statements to be made to a mortgage company in a mortgage loan application. The Real Estate Investor and DAVIS would cause all or some of the following false information to be submitted in the mortgage loan application:

- a. DAVIS' income would be overstated;
- b. DAVIS' employment would be misrepresented. DAVIS' employment would be reflected either as a self employed owner of

an audio engineering firm, or DAVIS' period of employment by his actual employer would be overstated;

- c. A false and/or forged letter from an accountant would be submitted verifying the existence of DAVIS' business;
- d. DAVIS' bank account balance would be overstated in that the Real Estate Investor would: 1) temporarily deposit money into DAVIS' bank account to make it appear DAVIS had more liquid funds than what he really had on deposit, and/or 2) the Real Estate Investor's account number was falsely represented on the verification of deposit form as the account number of DAVIS;
- e. DAVIS would represent that he intended to occupy the residence as his primary residence; and
- f. In cases in which DAVIS owned more than one residence, that fact was either: 1) not disclosed on the loan application when responding to the request that the applicant disclose all real estate that he/she owned, or 2) a false lease agreement was created to falsely represent that the additional residence was leased and DAVIS was receiving rental income from the lease.

THE CLOSING

8. DAVIS would attend the closing of the sales transaction and execute the mortgage loan documents. DAVIS would also knowingly execute a document in which he represented that he would occupy the residence as his primary residence, which DAVIS knew was false. In some instances, the mortgage documents from the closing, which had been executed by DAVIS, would be sent by an interstate commercial carrier from the closing to the mortgage company.

DEFAULT

9. DAVIS defaulted on the mortgage payments shortly after purchasing the residences.

D. THE OVERT ACTS OF THE CONSPIRACY

On or about the following dates, in furtherance of the conspiracy, the conspirators committed and caused, among others, the following overt acts:

SUNFLOWER PROPERTY

10. In or about March 2005, the Real Estate Investor recruited DAVIS to be a Buyer for a residence at 3941 Sunflower Ln, Plano, Texas, ("Sunflower Property") for a price of \$275,000.00.

11. In or about March 2005, the Real Estate Investor and DAVIS met in Collin County, Texas, within the Eastern District of Texas, to sign documents relating to the purchase of the Sunflower Property.

12. In or about March 2005, the Real Estate Investor and DAVIS caused a fraudulent mortgage loan application to be submitted to Countrywide Mortgage in Plano, Texas, within the Eastern District of Texas, requesting a mortgage loan of \$220,000.

13. In or about March 2005, the Real Estate Investor and DAVIS caused a fraudulent mortgage loan application to be submitted to Countrywide Mortgage in Plano, Texas, within the Eastern District of Texas, requesting a mortgage loan of \$55,000.

14. On or about March 24, 2005 in Plano, Texas, within the Eastern District of Texas, DAVIS attended the closing on the purchase of the residence at the Sunflower Property and executed loan documents to obtain the mortgage loans for the property.

15. On or about March 25, 2005, the Real Estate Investor caused a wire transfer in the amount of \$30,500 to be made from Richmond Title to a Hibernia bank account he controlled.

17. On or about March 28, 2005, at the West Plano Branch of Hibernia Bank, in Collin County, within the Eastern District of Texas, the Real Estate Investor purchased a cashier's check for \$11,289.77, made payable to Richmond Title, for payment of closing costs on the Sunflower Property.

18. On or about March 30, 2005, DAVIS and the Real Estate Investor caused documents related to the purchase of the Sunflower Property to be transported, by Federal Express, from the office of Ayers & Flores, L.L.C., in Plano, Texas, within the Eastern District of Texas, to First Franklin Loan Service in Pittsburgh, Pennsylvania.

19. On or about April 14, 2005, DAVIS and the Real Estate Investor caused documents from the closing on the purchase of Sunflower Property to be transported by Federal Express from the office of Ayers & Flores, L.L.C., in Plano, Texas, to Countrywide Mortgage in Plano, Texas, both in Collin County, within the Eastern District of Texas.

20. On or about April 22, 2005, DAVIS and the Real Estate Investor caused the mortgage deed of trust and deed to the Sunflower Property to be transported by Federal Express to the Collin County Clerk's Office, Collin County, Texas, within the Eastern District of Texas.

SAN GABRIEL PROPERTY

21. In or about August 2005, the Real Estate Investor recruited DAVIS to be a Buyer for a residence at 4315 San Gabriel Dr., Dallas, Texas ("San Gabriel Property") for a price of \$620,000.00.

22. In or about August 2005, the Real Estate Investor and DAVIS met in Collin County, Texas, within the Eastern District of Texas, to sign documents relating to the purchase of the San Gabriel Property.

23. In or about August 2005, the Real Estate Investor and DAVIS caused a fraudulent mortgage loan application to be submitted to Long Beach Mortgage, Inc., requesting a mortgage loan of \$496,000.

24. In or about August 2005, the Real Estate Investor and DAVIS caused a

fraudulent mortgage loan application to be submitted to Long Beach Mortgage, Inc., within the Eastern District of Texas, requesting a mortgage loan of \$124,000.

25. On or about August 31, 2005, DAVIS attended the closing on the purchase of the residence at San Gabriel Property and executed loan documents to obtain the mortgage loans for the property.

26. On or about August 31, 2005, a check from Reunion Title to Global Map Properties Group, in the amount of \$87,185.84 was deposited to a bank account controlled by the Real Estate Investor.

27. On or about September 6, 2005, at the West Plano Branch of Hibernia Bank, in Collin County, within the Eastern District of Texas, the Real Estate Investor purchased a cashier's check for \$11,989, made payable to DAVIS.

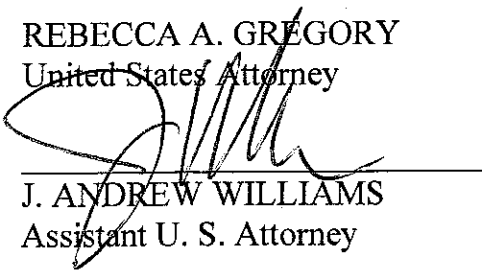
28. On or about September 6, 2005, DAVIS received \$15,000 cash from the Real Estate Investor at a location in Collin County, Texas, within the Eastern District of Texas.

A TRUE BILL



Foreperson of the Grand Jury

REBECCA A. GREGORY
United States Attorney



J. ANDREW WILLIAMS
Assistant U. S. Attorney

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SHERMAN DIVISION

UNITED STATES OF AMERICA	§	
	§	
V.	§	CRIMINAL NO. 4:09CR _____
	§	(Judge _____)
REGINALD DAVIS	§	

NOTICE OF PENALTY

COUNT 1

Violation: 18 U.S.C. 371
(Conspiracy to Commit Mail Fraud)

Penalty: A fine of not more than \$250,000, and/or
imprisonment for not more than 5 years.

Special Assessment: \$100.00