

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION

Filed 1/6/12
Clerk, U. S. District Court
Western District of Texas
By [Signature] Deputy

UNITED STATES OF AMERICA,)
)
Plaintiff,)
)
v.)
)
FREDERIC ALAN GLADLE,)
a/k/a Jake Menefee,)
a/k/a Larry Stauffer,)
a/k/a Walter Fred Boyd,)
a/k/a Jack Heller,)
a/k/a Kevin Dorsey,)
)
Defendant.)

CRIMINAL NO.

A-11-CR-708

PLEA AGREEMENT

The United States Attorney for the Western District of Texas and the Fraud Section, Criminal Division, U.S. Department of Justice (referred to also as the "government"), by and through the undersigned Trial Attorney, and the Defendant, **FREDERIC ALAN GLADLE**, personally and by and through Joseph Turner, Attorney for the Defendant, enter into the following plea agreement pursuant to Rule 11(c)(1), Federal Rules of Criminal Procedure:

I. Defendant's Agreement to Plead Guilty

Defendant **FREDERIC ALAN GLADLE** agrees to waive indictment in open court in accordance with Federal Rule of Criminal Procedure 7(a), and plead guilty to Counts 1 and 2 of the Criminal Information filed herewith, which charges the Defendant with the offenses of bankruptcy fraud, in violation of Title 18, United States Code, Section 157(3), from in or about October 2007 to on or about October 19, 2011, and aggravated identity theft, in violation of Title 18, United States Code, Section 1028A, from on or about October 18, 2010, to on or about October 19, 2011.

between \$1,000,000 and \$2,500,000)	+16	[U.S.S.G. § 2B1.1(b)(1)(I)]
Bankruptcy involved	+2	[U.S.S.G. § 2B1.1(b)(9)(B)]
Adjusted Offense Level	24	
Acceptance of Responsibility	-3	[U.S.S.G. § 3E1.1]
Total Offense Level	21	
Criminal History	I ¹	
Guideline Range	37-46 months	

As to Count 1, based on the facts and circumstances of this particular case, the government agrees to ask the Court for a sentence at the low-end of this guideline range. Moreover, both parties agree that neither the government nor the Defendant (or his counsel) will ask the Court for a guideline departure or an 18 U.S.C. § 3553(a) variance from this range.

Count 2: Aggravated Identity Theft, 18 U.S.C. § 1028A:

Pursuant to statute and U.S.S.G. § 2B1.6, the guideline sentence for this count is the term of imprisonment required by statute, and Chapters Three (Adjustments) and Four (Criminal History and Criminal Livelihood) shall not apply to this count of conviction. The term of imprisonment as required by statute is 24 months, to run consecutive to the period of imprisonment imposed for Count 1.

¹ Based upon the information now available to the government, the defendant has no criminal history. However, the parties agree that should the Probation Office provide information to the contrary in its Pre-Sentence Report, the parties are free to present argument to the Court about the calculation of the Defendant's criminal history.

Restitution. The Defendant agrees to the entry of a restitution order for the full amount of any loss incurred by a victim of any offense of conviction and any restitution attributable to any relevant conduct.

Forfeiture. The Court may order the forfeiture of the Defendant's interest in the following property, including but not limited to (also referred to as the "Forfeitable Property"):

Property seized from Frederic Gladle's home on 10/19/11

- \$470 cash (23-\$20s, 1-\$5, 5-\$1s);
- \$3,560 cash (178-\$20s);
- Netspend and Visa cards, ending in 9548, 5266, 6829, 6248, 4022; and 3735;
- Eight individual Western Union money orders totaling \$2,911.06, with "Pay To" line blank.

Items seized from storage unit C539, All-Ways Storage, during search on 10/19/11

- Account Now Visa debit card ending in 7965;
- Cashpass Mastercard debit card ending in 7815;
- ACACIA Research Corporation Common Stock, 61 share, CB0032, common stock 110 shares AT0015;
- \$79,980 cash found in 79 individual \$1,000 increment envelopes, and one individual \$980 envelope.

Items received from Genevieve Gladle on 10/21/11

- Netspend Visa debit cards, Bank of America card, and Cashpass Mastercard debit card ending in 1194, 2201, 4907, 0464, 3652, 4460, 8544, 6182, 3064, 7691, 5817, 8195, 3484, 3602, 9478, 7300, 2874, 8238, 4380, 6706, 6061, and 4493.

Items received from defense attorney Joe Turner on 10/25/11

- Netspend, Cashpass, and Bank of America card numbers ending in 6456, 3871, 0827, 1889, 6094, 5544, 9790, 2718, 7608, 4526, 8781, 8773, 6535, 8255, 4521, 0750, 4271, 4501, 3481, 9670, 1021, 9217, 0953, 7837, 6344, 1813, 9665, 5792, 0334, 4824, 3379, 7016, 0803, 5687, and 8649.

Additional Items Not Yet Seized

- In addition to the above enumerated properties, any property exceeding \$1,000 in value acquired by Defendant Gladle from in or about October 2007 through on or about October 19, 2011, including but not limited to vehicles acquired during that period.

B. Advice of Rights, Collateral Consequences, and Waiver of Rights

The Defendant understands that he has the following rights:

1. The right to plead not guilty, or having already so pleaded, to persist in that plea.
2. The right to a trial by jury.
3. The rights at trial to confront and cross-examine adverse witnesses; to be protected from compelled self-incrimination (the right to remain silent); to testify and present evidence; and to compel the attendance of witnesses.
4. The right to be represented by counsel—and if necessary to have the court appoint counsel at public expense—at trial and at every other stage of the proceeding.
5. By pleading guilty, the Defendant understands that he waives and gives up the right to plead not guilty, the right to a jury trial, and the rights to confront

and cross-examine adverse witnesses, the right to remain silent, to testify and present witnesses, and to compel the attendance of witnesses at trial.

By pleading guilty the Defendant gives up his right to remain silent and convicts himself; there will be no jury trial; no witnesses to prove guilt; no cross-examination or confrontation of witnesses; no opportunity to testify and present evidence; and no opportunity to compel the attendance of witnesses. The Court may require the Defendant to answer truthfully questions about the offense, and the Defendant may be prosecuted if he knowingly makes false statements or gives false answers.

The Defendant understands that in addition to the punishment described above, his guilty plea and conviction may have other or collateral consequences. These consequences may adversely affect such things as the Defendant's right to possess firearms, the right to vote, as well as the immigration status of a Defendant who is not a U.S. Citizen. Defendant has discussed with his attorney the punishments and consequences of pleading guilty, understands that not all of the consequences can be predicted or foreseen, and still wants to plead guilty in this case.

In addition to giving up the rights described above, the Defendant agrees to give up and waive the following:

1. Pretrial Motions: The Defendant understands that he could raise a number of issues and challenges by pretrial motion, including motions to suppress evidence and to dismiss the charges against him. By entering into this agreement and pleading guilty, the Defendant agrees to give up any and all

claims he has made or might have made by pretrial motion, and agrees to the dismissal of any motions that currently are pending.

2. **Discovery:** In addition to waiving pretrial motions, the Defendant agrees to give up and waive any claims he may have now or may acquire later to any information possessed by the prosecution team that might be subject to disclosure under discovery rules, including but not limited to the Federal Rules of Criminal Procedure, the *Jencks* Act, local court rules, and Court Orders.
3. **Appeal:** The Defendant agrees to waive and give up his right to appeal his conviction or sentence on any ground, except in a case in which the sentence imposed by the Court is greater than the maximum sentence authorized by statute.
4. **Collateral Attack:** The Defendant agrees to waive and give up his right to challenge his conviction or sentence in a post-conviction collateral challenge, including but not limited to a proceedings pursuant to 28 U.S.C. §§ 2241 and 2255; except, the Defendant does not waive his right to raise a challenge based on ineffective assistance of counsel and prosecutorial misconduct. In the event the Defendant makes such a claim, he hereby agrees to waive any claim of attorney/client privilege arising from counsel's representation.
5. **Attorneys' Fees:** The Defendant hereby stipulates and agrees that he is not entitled to and shall not seek from the United States any attorneys' fees he incurred in connection with this prosecution.

6. **Waiver of Indictment and Venue:** The Defendant hereby waives his right to proceed by indictment and agrees to proceed by the filing of a criminal information charging him with bankruptcy fraud and aggravated identity theft, as described herein. Defendant also waives venue for both counts and agrees to the filing of a criminal information in the Central District of California. The Defendant also agrees to proceed under the provisions of Rule 20, Federal Rules of Criminal Procedure, whereby the case will be transferred to the Western District of Texas for entry of a guilty plea as to both counts.

II. Government's Agreement

In exchange for Defendant's agreement to plead guilty and waive the rights listed above the United States Attorney's Office for the Western District of Texas and Fraud Section, Criminal Division, Department of Justice agree to the following:

- A. **Motion to Dismiss:** Upon imposition of sentence, the government will move to dismiss any remaining charges against the Defendant.
- B. **Forbear Filing Charges:** The United States Attorney's Office for the Western District of Texas and Fraud Section, Criminal Division, Department of Justice agree that they shall not pursue additional charges against the Defendant that arise from the facts contained in the Factual Basis or which gave rise to the Information.
- C. **Sentencing:** Subject to the government's obligation to provide all relevant information to the sentencing court, and to the extent consistent with that information, the government agrees as follows:

1. **Acceptance of Responsibility:** If the Defendant meets the standards of U.S.S.G. § 3E1.1, including truthfully admitting the conduct comprising the offense of conviction and any relevant conduct, and the Defendant does not commit any new criminal offenses, the government will recommend that the Defendant receive a three-level downward adjustment for acceptance of responsibility.

Regarding the imposition of sentence, the Defendant understands that the Court decides the punishment that will be imposed. The Court shall determine the sentence to be imposed in accordance with 18 U.S.C. § 3553(a), after considering the application of the Sentencing Guidelines. The Guidelines are advisory and not binding, although the Court is required to consider them. **Any prediction or estimate of the probable sentencing range or ultimate sentence that may be imposed, whether from the government, his attorney, or the Probation Office, is not a promise, is not binding, and is not an inducement for the Defendant's guilty plea or waivers. The Defendant will not be permitted to withdraw his guilty plea because the sentence imposed differs from the sentence he expected or hoped for.**

Notwithstanding the above provisions, both the government and the Defendant reserve the rights to: (1) inform the U.S. Probation Office and the Court of all information relevant to determining sentence; (2) dispute facts relevant to sentencing; (3) seek resolution of disputed facts or factors in conference with opposing counsel and the U.S. Probation Office; and (4) allocute at sentencing (consistent with promises by the government concerning recommended findings and punishment).

III. Breach of Agreement

A. In the event the Defendant violates or breaches any of the terms of the plea agreement, the government will be released from its obligations under this agreement and in its sole discretion may do any or all of the following:

1. Move to set aside the Defendant's guilty plea and proceed on charges previously filed and any additional charges;
2. Use against the Defendant any statements or information provided by Defendant during the course of his cooperation, at sentencing or in any prosecution;
3. Seek additional charges based on false statements, perjury, obstruction of justice, or any other criminal acts committed by Defendant before or during his cooperation, including offenses disclosed during Defendant's cooperation;
4. Seek to revoke or modify conditions of release;
5. Decline to file a motion for a reduced sentence.

B. Defendant's breach of this agreement will not entitle him to withdraw a guilty plea already entered.

IV. Factual Basis for the Guilty Plea

If the Defendant went to trial on the charges to which he agrees to plead guilty, the Defendant agrees that the government's evidence would prove the following, establishing proof beyond a reasonable doubt of each of the elements of the crimes charged:

COUNT ONE (18 U.S.C. § 157(3)):

A. Beginning in or about October 2007, and continuing to on or about October 19, 2011, in Los Angeles County, within the Central District of California, and elsewhere, Defendant **FREDERIC ALAN GLADLE**, together with others known and unknown to the United States Attorney, knowingly and with intent to defraud, devised, participated in, and executed a scheme to defraud lenders, some of whom, such as Wells Fargo Bank, Bank of America, and U.S. Bancorp were recipients of funds under the Troubled Asset Relief Program, who were attempting to foreclose on real properties through trustee sales, by means of making fraudulent representations, claims, and promises concerning and in relation to a proceeding under Title 11 of the United States Code.

More specifically, the United States would prove beyond a reasonable doubt that:

1. In or about July 2007, the Defendant attempted to delay foreclosure on his personal residence in Austin, Texas, by participating in a foreclosure-delay program operated by a person who called himself B.M. In lieu of paying B.M. for the foreclosure-delay service, the Defendant offered to help B.M. market the service.

2. After communicating with B.M. regarding the program, in October 2007 the Defendant began soliciting other clients for B.M.'s program in exchange for a referral fee of approximately \$150 per client.

3. Defendant learned how the program operated, including that B.M. obtained the names of debtors without the debtors' knowledge and used their names and bankruptcy petitions to delay foreclosures as described below, by recruiting clients for B.M.'s program and performing increasing program-related tasks between about October 2007 and April 2009. In or about April 2009, the Defendant told B.M. that the Defendant no longer wanted to be involved in a foreclosure-delay program. However, instead of ceasing his involvement with foreclosure delay, the Defendant

immediately began operating an identical foreclosure-delay program without B.M.'s involvement, which the Defendant called Timelender. After this point in 2009, the Defendant performed all of the actions of the foreclosure delay service without involvement of B.M.

4. From in or about October 2007 through October 2011, the Defendant and persons working with the Defendant distributed and caused to be distributed advertisements to solicit clients for his or B.M.'s foreclosure-delay service.

5. In addition, the Defendant obtained clients through referrals from existing clients and from salespersons hired by the Defendant.

6. Through these advertisements and statements made by salespersons working with the Defendant, the Defendant told potential clients whose properties were being foreclosed upon ("the subject properties") that, in exchange for a monthly fee, Timelender would postpone the foreclosure for at least six months. The clients were not told that the postponement would be achieved through the Defendant's or B.M.'s use of bankruptcy petitions filed by debtors who were unaware of the Defendant's use of their names and bankruptcy petitions.

7. After a client had signed up and paid the fee, the salespersons, operating at the Defendant's or B.M.'s direction, would obtain a client's notarized signature on a deed transferring a fractional share, generally 1/100th interest, of a subject property (the "fractional deed") to a debtor whose name the Defendant or B.M. had obtained by accessing the electronic docketing system, PACER, and finding the debtor's name on a recently filed bankruptcy.

8. Defendant or B.M. would direct the client and the salesperson to record the deed transferring a fractional interest to the debtor, and to send the recorded deed to the Defendant or B.M. by facsimile.

9. Defendant or B.M. would download from PACER the debtor's bankruptcy petition ("the bankruptcy petition").

10. After obtaining the bankruptcy petition and the recorded fractional deed, the Defendant, B.M., or a co-schemer operating at one of their direction would fax a copy of the recorded fractional deed and the bankruptcy petition, both of which listed the same debtor's name, to the client's lender or the lender's representative, thereby notifying the lender of the automatic stay in order to stop the foreclosure sale.

11. Upon receiving the facsimile from the Defendant or B.M. containing the recorded fractional deed and bankruptcy petition, some lenders would file a motion for relief from stay in the debtor's bankruptcy case. Generally, in response to the motion, the debtor would disclaim any knowledge of owning the fractional interest in the client's property, and the bankruptcy court would grant the motion and permit the foreclosure on the client's property to continue.

12. Once another foreclosure sale was scheduled, the Defendant or B.M. would cause the client to sign another deed transferring another fractional share of the subject property to a different debtor, print out the debtor's bankruptcy petition from PACER, and send both documents to the lender or the lender's representative. In this way, Defendant or B.M. was able to delay the foreclosure for years on some properties.

13. If a client requested that the Defendant or B.M. reverse the fractional deed transfers and paid a fee to the Defendant or B.M., then the Defendant or B.M. would prepare reconveyance documents showing that the debtors were transferring their fractional interests to the client and would forge the signatures of the debtors and send the reconveyance documents to the client.

14. Defendant or B.M. would repeat this course of action, thereby repeatedly delaying the sale of the subject properties, for as long as the client paid the monthly fee.

15. As part of the above-described fraudulent scheme, from approximately October 1, 2007, through approximately October 19, 2011, the Defendant and his co-schemers, including B.M., delayed the foreclosure sales of approximately 1,128 subject properties. During that same period, the Defendant collected approximately \$1,600,000 from clients in monthly fees paid for his illegal foreclosure-delay services.

16. On or about June 15, 2009, the Defendant, using the alias Kevin Dorsey, sent a facsimile from Austin, Texas, to California Reconveyance in Chatsworth, California, containing a grant deed from M.A.G. and L.A. to S.C., along with a bankruptcy petition bearing case number 09-21169-AJC in the name of S.C., filed in the United States Bankruptcy Court for the Southern District of Florida. Defendant intended by sending this facsimile that the trustee, California Reconveyance, would honor the automatic bankruptcy stay in S.C.'s case and therefore delay an impending foreclosure sale of M.A.G. and L.A.'s real property that California Reconveyance was arranging on behalf of M.A.G. and L.A.'s lender.

COUNT TWO (18 U.S.C. § 1028A)

B. On or about October 19, 2011, in Travis County, within the Western District of Texas, Defendant **FREDERIC ALAN GLADLE** knowingly transferred, possessed, and used, without lawful authority, a means of identification of another person, that is, a social security number issued to J.M., during and in relation to using unauthorized access devices to obtain at least \$1,000 in value, a felony violation of Title 18, United States Code, Section 1029(a)(2).

More specifically, the United States would prove beyond a reasonable doubt that:

1. Defendant had employed J.M. in or about the year 2000. Through his employment of J.M., the Defendant obtained J.M.'s social security number, date of birth, and other personal identifying information. J.M. never gave the Defendant authorization to retain or use J.M.'s personal identifying information for any purpose other than for the Defendant's employment of J.M.

2. On or before October 19, 2010, the Defendant, while in Austin, Texas, used J.M.'s name, date of birth, and social security number without J.M.'s permission or knowledge to obtain a mobile telephone account in the name of J.M.

3. Defendant continuously possessed J.M.'s name, date of birth, and social security number in Austin, Texas, from October 18, 2010, through October 19, 2011, either on his person or in a storage unit that the Defendant rented.

4. Defendant obtained more than \$1,000 in mobile phone services from the account that the Defendant opened in J.M.'s name and using J.M.'s social security number, between October 18, 2010, and October 19, 2011.

This, in summary, would be the facts proven by the United States. The Defendant, the U.S. Attorney for the Western District of Texas, and Fraud Section, Criminal Division, U.S. Department of Justice agree and stipulate that the foregoing facts are a sufficient legal and factual basis for a plea of guilty by the Defendant.

V. Voluntariness

In entering into this Plea Agreement, agreeing to plead guilty, and waiving the rights set forth above, the Defendant affirms the following:

- A. The Defendant has discussed with his attorney the charges, the possible punishment upon conviction, the evidence and any defenses to the charges, and the benefits and risks of going to trial.
- B. The Defendant understands that he has a right to plead not guilty, and by entering this agreement and pleading guilty he is waiving or giving up a number of important rights, described above.
- C. The Defendant has had sufficient time to discuss the case with his attorney, and is satisfied with the advice given by counsel.
- D. The Defendant is not under the influence of alcohol, drugs or medicines and understands the gravamen of the proceedings and the importance of the decision to plead guilty and waive rights.
- E. The Defendant enters this agreement and decision to plead guilty voluntarily, and not on account of force, threats, promises or inducements, apart from the promises and inducements set forth in this agreement.
- F. The Defendant agrees to plead guilty because he is guilty of the offenses charged.

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VI. Entire Agreement

This Plea Agreement constitutes the entire agreement between the Defendant and the government and is binding only upon those parties. No other promises, inducements or agreements have been made or entered into between the parties. The Court may accept or reject this agreement, and may defer this decision until it has reviewed the presentence report. If the Court accepts the agreement, but declines to follow the government's sentencing recommendations, the Defendant has no right to withdraw his guilty plea.

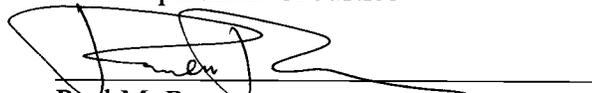
This agreement cannot be modified except in writing signed by all parties or done in open court. It is further understood by the parties that this agreement does not prevent any government agency from pursuing civil and/or administrative actions against the Defendant or any property.

Respectfully submitted,

ROBERT PITMAN
United States Attorney
Western District of Texas

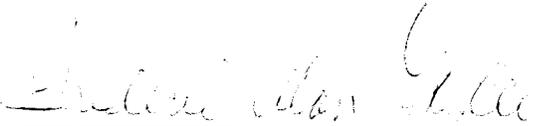
DENIS McINERNEY
Chief, Fraud Section
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By:



Paul M. Rosen
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Defendant's Signature: I, **FREDERIC ALAN GLADLE**, have carefully read and reviewed the foregoing plea agreement in its entirety. After giving careful and mature consideration to the making of this plea agreement, thoroughly discussing the plea agreement with my attorney, fully understanding my rights with respect to the pending criminal charges, and in reliance upon my own judgment and the advice of my attorney, I freely and voluntarily agree to the specific terms and conditions of the plea agreement. Moreover, I am satisfied with the advice my attorney has provided to me in this matter.



FREDERIC ALAN GLADLE

Defendant



Date

Defense Counsel Signature: I am counsel for the Defendant, **FREDERIC ALAN GLADLE**, in this case. I have fully explained to the Defendant all of his rights with respect to the pending criminal charges. I have carefully reviewed this plea agreement in its entirety with the Defendant and provided him with my best professional advice. In my opinion, the Defendant's decision to enter into this plea agreement is made freely, voluntarily, and with full knowledge of its obligations and consequences.



Joseph Turner
Attorney for Defendant

Date

