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FILED

MAR 31 2009

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

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

10 UNITED STATES OF AMERICA,
11
12 Plaintiff,

13 v.

14 JOSHUA GERVOLSTAD,
15
16 Defendant.

209 - CR - 0146 WBS

VIOLATIONS: 18 U.S.C. § 1341 -
Mail Fraud (5 Counts)

17
18 I N F O R M A T I O N

19 COUNTS ONE THROUGH FIVE: [18 U.S.C. § 1341 - Mail Fraud]

20 The United States Attorney charges:

21 JOSHUA GERVOLSTAD,

22 defendant herein, as follows:

23 I. INTRODUCTION

24 1. At all times material to this Information, defendant JOSHUA
25 GERVOLSTAD lived and worked in the City of Redding in the County of
26 Shasta, in the State and Eastern District of California.

27 2. At all times material to this Information, First Magnus
28 Financial was engaged in the business of providing mortgages and had

1 an office in Roseville, California. Real property was the security
2 for First Magnus's mortgages, and thus the value of the real property
3 was material to First Magnus's decision on how much credit to extend
4 to its borrowers.

5 3. At all times material to this Information, Chicago Title
6 Company was engaged in the business of providing escrow services for
7 mortgage refinancings and had an office in Redding, California. As
8 part of its escrow services, Chicago Title Company would disburse
9 monies to persons whom were believed to have liens recorded on the
10 real property being refinanced.

11 4. At all times material to this Information, a Preliminary
12 Title Report was the document that was supposed to accurately reflect
13 the recording and value of any lien on real property. The liens in a
14 property's Preliminary Title Report were supposed to match the liens
15 on file for that property with the County Recorder.

16 5. At all times material to this Information, TPG was an entity
17 owned and controlled by JOSHUA GERVOLSTAD. TPG had a bank account
18 over which JOSHUA GERVOLSTAD had signature authority.

19 6. At all times material to this Information, "the Subject
20 Properties" were:

- 21 1024 River Pointe, Lodi, California;
- 22 566 Reddington Drive, Redding, California;
- 23 984 Montcrest Drive, Redding, California;
- 24 1026 Springridge Drive, Redding California; and
- 25 4638 Mayo Court, Redding, California.

26 II. THE SCHEME TO DEFRAUD

27 7. Beginning not later than on or about February 24, 2006 and
28 continuing through or about April 25, 2006, in the State and Eastern

1 District of California, and elsewhere, defendant JOSHUA GERVOLSTAD,
2 and others known to the United States Attorney, did knowingly devise
3 and intend to devise a material scheme and artifice to defraud a
4 residential real property lender, to wit First Magnus Financial, and
5 to obtain money by means of materially false and fraudulent pretenses,
6 representations and promises.

7 8. As a result of the scheme to defraud, defendant GERVOLSTAD
8 and others received at least \$925,000 in loan proceeds to which they
9 were not entitled.

10 III. WAYS AND MEANS

11 The ways and means by which the mail fraud scheme was
12 accomplished included the following:

13 9. JOSHUA GERVOLSTAD obtained from the owners of the Subject
14 Properties agreements to mortgage the Subject Properties.

15 10. JOSHUA GERVOLSTAD caused a person to appraise the value of
16 each of the Subject Properties and JOSHUA GERVOLSTAD then caused the
17 appraisal document for each Subject Property to be modified so that
18 each Subject Property falsely appeared to have an appraised value of
19 between \$150,500 and \$220,000 more than the value actually appraised.

20 11. JOSHUA GERVOLSTAD caused the preparation of a Preliminary
21 Title Report for each Subject Property, and JOSHUA GERVOLSTAD then
22 caused each Subject Property's Preliminary Title Report to be altered
23 to add TPG as a lien holder for a specified amount between \$145,000
24 and \$330,000 for each mortgage.

25 12. Acting on the altered Preliminary Title Report, Chicago
26 Title disbursed loan funds at the close of escrow for each Subject
27 Property to TPG's bank account in an amount corresponding to the
28 fraudulent, non-existent TPG lien that JOSHUA GERVOLSTAD had caused to

1 be listed in the Preliminary Title Report.

2 13. JOSHUA GERVOSTAD disbursed money from the TPG account to,
3 among other persons, the owner of each Subject Property and spent such
4 funds himself.

5 IV. THE MAILINGS

6 14. On or about the dates set forth below, in the Eastern
7 District of California, for the purpose of executing and attempting to
8 execute the aforementioned scheme and artifice to defraud, JOSHUA
9 GERVOLSTAD did knowingly deposit and cause to be deposited any matter
10 or thing whatever to be sent and delivered by any private or
11 commercial interstate carrier, the items listed below:

12

<u>CT</u>	<u>DATE</u>	<u>SENDER</u>	<u>RECIPIENT</u>	<u>WHAT WAS SENT</u>	<u>SUBJECT PROPERTY</u>
13 14 15 16	2/24/06	Chicago Title 1675 Hilltop Drive, Redding, California	First Magnus Financial 3013 Douglas Blvd., Roseville, California	Funding request letter for mortgage	1024 River Pointe, Lodi, CA
17 18 19	8/17/06	Chicago Title 1675 Hilltop Drive, Redding, California	First Magnus Financial 3013 Douglas Blvd., Roseville, California	Funding request letter for mortgage	566 Reddington Dr., Redding, California
20 21 22 23	10/12/06	Chicago Title 1675 Hilltop Drive, Redding, California	First Magnus Financial 3013 Douglas Blvd., Roseville, California	Funding request letter for mortgage	984 Montcrest Dr., Redding, California
24 25 26	10/18/06	Chicago Title 1675 Hilltop Drive, Redding, California	First Magnus Financial 3013 Douglas Blvd., Roseville, California	Funding request for mortgage letter	1026 Springridge Drive, Redding, California

27
28


<u>CT</u>	<u>DATE</u>	<u>SENDER</u>	<u>RECIPIENT</u>	<u>WHAT WAS SENT</u>	<u>SUBJECT PROPERTY</u>
5	11/17/06	Chicago Title 1675 Hilltop Drive, Redding, California	First Magnus Financial 3013 Douglas Blvd., Roseville, California	Funding request letter for mortgage	4638 Mayo Court, Redding, California

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

LAWRENCE G. BROWN
Acting United States Attorney

DATE: March 31, 2009

By:


MATTHEW D. SEGAL
Assistant U.S. Attorney

JOSHUA GERVOLSTAD
PENALTY SLIP

COUNTS 1-5

VIOLATION: 18 U.S.C. §§ 1341 - Mail Fraud

PENALTY: Not more than \$250,000.00
Not more than 20 years, or both
TSR of 3 years

PENALTY ASSESSMENT: \$100

209-CR-0146 WBS