UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
FORT MYERS DIVISION

UNITED STATES OF AMERICA	:	
	:	
v.	:	CASE NO. 2:10-cr- -FtM-
	:	
TYLER FORREY	:	

PLEA AGREEMENT

Pursuant to Fed. R. Crim. P. 11(c), the United States of America, by A. Brian Albritton, United States Attorney for the Middle District of Florida, and the defendant, Tyler Forrey, and the attorney for the defendant, Landon Miller, mutually agree as follows:

A. Particularized Terms

1. Counts Pleading To

The defendant shall enter a plea of guilty to Count One and Count Two of the Information. Count One charges the defendant with Conspiracy to Commit Bank Fraud and Wire Fraud, in violation of 18 U.S.C. §§ 1343, 1344, all in violation of 18 U.S.C. § 1349, and Count Two charges the defendant with Money Laundering in violation of 18 U.S.C. §§1957, 2.

2. Maximum Penalties

Count One carries a maximum sentence of 20 years imprisonment, a fine of $250,000, a term of supervised release of not more than 3 years, and a special assessment of $100.

Count Two carries a maximum sentence of 10 years imprisonment, a fine of up to $250,000, a period of supervised release of not more than 3 years and a special assessment of $100.

With respect to certain offense, the Court shall order the defendant to make restitution to any victim of the offenses as set forth below.

3. Elements of the Offenses

The defendant acknowledges understanding the nature and elements of the offenses with which defendant has been charged and to which defendant is pleading guilty. The elements of Count One are:

First: That two or more persons, in some way or manner, came to a mutual understanding to try to accomplish a common and unlawful plan, as charged in the Information, and

Second: That the Defendant, knowing the unlawful purpose of the plan, willfully joined it.

Wire Fraud - 18 U.S.C. §1343

First: That the Defendant knowingly devised or participated in a scheme to defraud, or for obtaining money or property by means of false pretenses, representations or promises;

Second: That the false pretenses, representations or promises related to a material fact;

Third: That the Defendant did so willfully and with an intent to defraud; and

Fourth: That the Defendant transmitted or caused to be transmitted by wire in interstate commerce some communication for the purpose of executing the scheme to defraud.

Bank Fraud - 18 U.S.C. § 1344

First: That the Defendant executed or attempted to execute a scheme to obtain money, assets, or property from a financial institution by means of false or fraudulent pretenses, representations, or promises relating to a material fact, as charged in the Information;

Second: That the Defendant did so willfully with an intent to defraud;

Third: That the false or fraudulent pretenses, representations, or promises were material; and

Fourth: That the financial institution was federally insured.

The elements of Count Two are as follows:

Money Laundering - 18 U.S.C. § 1957

First: That the Defendant knowingly engaged or attempted to engage in a monetary transaction;

Second: That the Defendant knew the transaction involved criminally derived property;

Third: That the property had a value of greater than $10,000;

Fourth: That the property was, in fact, derived from wire fraud; and

Fifth: That the transaction occurred in the United States.

4. Indictment Waiver

Defendant will waive the right to be charged by way of indictment before a federal grand jury.

5. No Further Charges

If the Court accepts this plea agreement, the United States Attorney's Office for the Middle District of Florida agrees not to charge defendant with committing any other federal criminal offenses known to the United States Attorney's Office at the time of the execution of this agreement, related to the conduct giving rise to this plea agreement.

6. Mandatory Restitution to Victim of Offense of Conviction

Pursuant to 18 U.S.C. §§ 3663A(a) and (b), defendant agrees to make full restitution to the lenders that have an ownership interest in the properties described in the Information.

7. Guidelines Sentence

Pursuant to Fed. R. Crim. P. 11(c)(1)(B), the United States will recommend to the Court that the defendant be sentenced within the defendant's applicable guidelines range as determined by the Court pursuant to the United States Sentencing Guidelines, as adjusted by any departure the United States has agreed to recommend in this plea agreement. The parties understand that such a recommendation is not binding on the Court and that, if it is not accepted by this Court, neither the United States nor the defendant will be allowed to withdraw from the plea agreement, and the defendant will not be allowed to withdraw from the plea of guilty.

8. Acceptance of Responsibility - Three Levels

At the time of sentencing, and in the event that no adverse information is received suggesting such a recommendation to be unwarranted, the United States will recommend to the Court that the defendant receive a two-level downward adjustment for acceptance of responsibility, pursuant to USSG §3E1.1(a). The defendant understands that this recommendation or request is not binding on the Court, and if not accepted by the Court, the defendant will not be allowed to withdraw from the plea.

Further, at the time of sentencing, if the defendant's offense level prior to operation of subsection (a) is level 16 or greater, and if the defendant complies with the provisions of USSG §3E1.1(b), the United States agrees to move the Court pursuant to USSG §3E1.1(b) for a downward adjustment of one additional level. The defendant understands that the determination as to whether the defendant has qualified for a downward adjustment of a third level for acceptance of responsibility rests solely with the United States Attorney for the Middle District of Florida, and the defendant agrees that the defendant cannot and will not challenge that determination, whether by appeal, collateral attack, or otherwise.

9. Low End

At the time of sentencing, and in the event that no adverse information is received suggesting such a recommendation to be unwarranted, the United States will not oppose the defendant's request to the Court that the defendant receive a sentence at the low end of the applicable guideline range, as calculated by the Court. The defendant understands that this recommendation or request is not binding on the Court,

and if not accepted by the Court, the defendant will not be allowed to withdraw from the plea.

9. Cooperation - Substantial Assistance to be Considered

Defendant agrees to cooperate fully with the United States in the investigation and prosecution of other persons, and to testify, subject to a prosecution for perjury or making a false statement, fully and truthfully before any federal court proceeding or federal grand jury in connection with the charges in this case and other matters, such cooperation to further include a full and complete disclosure of all relevant information, including production of any and all books, papers, documents, and other objects in defendant's possession or control, and to be reasonably available for interviews which the United States may require. If the cooperation is completed prior to sentencing, the government agrees to consider whether such cooperation qualifies as "substantial assistance" in accordance with the policy of the United States Attorney for the Middle District of Florida, warranting the filing of a motion at the time of sentencing recommending (1) a downward departure from the applicable guideline range pursuant to USSG §5K1.1, or (2) the imposition of a sentence below a statutory minimum, if any, pursuant to 18 U.S.C. § 3553(e), or (3) both. If the cooperation is completed subsequent to sentencing, the government agrees to consider whether such cooperation qualifies as "substantial assistance" in accordance with the policy of the United States Attorney for the Middle District of Florida, warranting the filing of a motion for a reduction of sentence within one year of the imposition of sentence pursuant to Fed. R. Crim. P. 35(b). In any case, the defendant understands that the determination as to whether "substantial assistance" has been provided or what type of motion related

thereto will be filed, if any, rests solely with the United States Attorney for the Middle District of Florida, and the defendant agrees that defendant cannot and will not challenge that determination, whether by appeal, collateral attack, or otherwise.

10. Use of Information - Section 1B1.8

Pursuant to USSG §1B1.8(a), the United States agrees that no self-incriminating information which the defendant may provide during the course of defendant's cooperation and pursuant to this agreement shall be used in determining the applicable sentencing guideline range, subject to the restrictions and limitations set forth in USSG §1B1.8(b).

11. Forfeiture of Assets

The defendant agrees to forfeit to the United States immediately and voluntarily any and all assets and property, or portions thereof, subject to forfeiture, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 18, United States Code, Section 2461(c), whether in the possession or control of the United States or in the possession or control of the defendant or defendant's nominees. The defendant agrees and consents to the forfeiture of assets pursuant to any federal criminal, civil, and/or administrative forfeiture action. The defendant also hereby agrees that the forfeiture is not excessive and, in any event, the defendant waives any constitutional claims that the defendant may have that the forfeiture constitutes an excessive fine.

The defendant admits and agrees that the conduct described in the Factual Basis below provides a sufficient factual and statutory basis for the forfeiture of the property sought by the government. Pursuant to the provisions of Rule 32.2(b)(1),

the United States and the defendant request that at the time of accepting this plea agreement, the court make a determination that the government has established the requisite nexus between the property subject to forfeiture and the offenses to which defendant is pleading guilty and enter a preliminary order of forfeiture. Pursuant to Rule 32.2(b)(3), the defendant agrees that the preliminary order of forfeiture shall be final as to the defendant at the time it is entered, notwithstanding the requirement that it be made a part of the sentence and be included in the judgment.

The defendant agrees to forfeit all interests in the properties and to take whatever steps are necessary to pass clear title to the United States. These steps include, but are not limited to, the surrender of title, the signing of a consent decree of forfeiture, and signing of any other documents necessary to effectuate such transfers.

Defendant further agrees to take all steps necessary to locate property and to pass title to the United States before the defendant's sentencing. To that end, defendant agrees to fully assist the government in the recovery and return to the United States of any assets, or portions thereof, as described above wherever located. The defendant agrees to make a full and complete disclosure of all assets over which defendant exercises control and those which are held or controlled by a nominee. The defendant further agrees to be polygraphed on the issue of assets, if it is deemed necessary by the United States.

If the United States determines that property of the defendant identified for forfeiture cannot be located upon the exercise of due diligence; has been transferred or sold to, or deposited with, a third party; has been placed beyond the jurisdiction of the Court; has been substantially diminished in value; or has been

commingled with other property which cannot be divided without difficulty; then the United States shall, at its option, be entitled to forfeiture of any other property (substitute assets) of the defendant up to the value of any property described above. This Court shall retain jurisdiction to settle any disputes arising from application of this clause. The defendant agrees that forfeiture of substitute assets as authorized herein shall not be deemed an alteration of the defendant's sentence.

Forfeiture of the defendant's assets shall not be treated as satisfaction of any fine, restitution, cost of imprisonment, or any other penalty this Court may impose upon the defendant in addition to forfeiture.

B. Standard Terms and Conditions

1. Restitution, Special Assessment and Fine

The defendant understands and agrees that the Court, in addition to or in lieu of any other penalty, shall order the defendant to make restitution to any victim of the offense(s), pursuant to 18 U.S.C. § 3663A, for all offenses described in 18 U.S.C. § 3663A(c)(1) (limited to offenses committed on or after April 24, 1996); and the Court may order the defendant to make restitution to any victim of the offense(s), pursuant to 18 U.S.C. § 3663 (limited to offenses committed on or after November 1, 1987), including restitution as to all counts charged, whether or not the defendant enters a plea of guilty to such counts, and whether or not such counts are dismissed pursuant to this agreement. On each count to which a plea of guilty is entered, the Court shall impose a special assessment, to be payable to the Clerk's Office, United States District Court, and due on date of sentencing. The defendant understands that this agreement imposes no limitation as to fine.

2. Supervised Release

The defendant understands that the offenses to which the defendant is pleading provide for imposition of a term of supervised release upon release from imprisonment, and that, if the defendant should violate the conditions of release, the defendant would be subject to a further term of imprisonment.

3. Sentencing Information

The United States reserves its right and obligation to report to the Court and the United States Probation Office all information concerning the background, character, and conduct of the defendant, to provide relevant factual information, including the totality of the defendant's criminal activities, if any, not limited to the counts to which defendant pleads, to respond to comments made by the defendant or defendant's counsel, and to correct any misstatements or inaccuracies. The United States further reserves its right to make any recommendations it deems appropriate regarding the disposition of this case, subject to any limitations set forth herein, if any.

Pursuant to 18 U.S.C. § 3664(d)(3) and Fed. R. Crim. P. 32(d)(2)(A)(ii), the defendant agrees to complete and submit, upon execution of this plea agreement, an affidavit reflecting the defendant's financial condition. The defendant further agrees, and by the execution of this plea agreement, authorizes the United States Attorney's Office to provide to, and obtain from, the United States Probation Office, the financial affidavit, any of the defendant's federal, state, and local tax returns, bank records and any other financial information concerning the defendant, for the purpose of making any recommendations to the Court and for collecting any assessments, fines, restitution, or forfeiture ordered by the Court.

4. Sentencing Recommendations

It is understood by the parties that the Court is neither a party to nor bound by this agreement. The Court may accept or reject the agreement, or defer a decision until it has had an opportunity to consider the presentence report prepared by the United States Probation Office. The defendant understands and acknowledges that, although the parties are permitted to make recommendations and present arguments to the Court, the sentence will be determined solely by the Court, with the assistance of the United States Probation Office. Defendant further understands and acknowledges that any discussions between defendant or defendant's attorney and the attorney or other agents for the government regarding any recommendations by the government are not binding on the Court and that, should any recommendations be rejected, defendant will not be permitted to withdraw defendant's plea pursuant to this plea agreement. The government expressly reserves the right to support and defend any decision that the Court may make with regard to the defendant's sentence, whether or not such decision is consistent with the government's recommendations contained herein.

5. Defendant's Waiver of Right to Appeal and Right to Collaterally Challenge the Sentence

The defendant agrees that this Court has jurisdiction and authority to impose any sentence up to the statutory maximum and expressly waives the right to appeal defendant's sentence or to challenge it collaterally on any ground, including the ground that the Court erred in determining the applicable guidelines range pursuant to the United States Sentencing Guidelines, except (a) the ground that the sentence

exceeds the defendant's applicable guidelines range as determined by the Court pursuant to the United States Sentencing Guidelines; (b) the ground that the sentence exceeds the statutory maximum penalty; or (c) the ground that the sentence violates the Eighth Amendment to the Constitution; provided, however, that if the government exercises its right to appeal the sentence imposed, as authorized by 18 U.S.C. § 3742(b), then the defendant is released from his waiver and may appeal the sentence as authorized by 18 U.S.C. § 3742(a).

6. Middle District of Florida Agreement

It is further understood that this agreement is limited to the Office of the United States Attorney for the Middle District of Florida and cannot bind other federal, state, or local prosecuting authorities, although this office will bring defendant's cooperation, if any, to the attention of other prosecuting officers or others, if requested.

7. Filing of Agreement

This agreement shall be presented to the Court, in open court or in camera, in whole or in part, upon a showing of good cause, and filed in this cause, at the time of defendant's entry of a plea of guilty pursuant hereto.

8. Voluntariness

The defendant acknowledges that defendant is entering into this agreement and is pleading guilty freely and voluntarily without reliance upon any discussions between the attorney for the government and the defendant and defendant's attorney and without promise of benefit of any kind (other than the concessions contained herein), and without threats, force, intimidation, or coercion of any kind. The defendant further acknowledges defendant's understanding of the nature

of the offense or offenses to which defendant is pleading guilty and the elements thereof, including the penalties provided by law, and defendant's complete satisfaction with the representation and advice received from defendant's undersigned counsel (if any). The defendant also understands that defendant has the right to plead not guilty or to persist in that plea if it has already been made, and that defendant has the right to be tried by a jury with the assistance of counsel, the right to confront and cross-examine the witnesses against defendant, the right against compulsory self-incrimination, and the right to compulsory process for the attendance of witnesses to testify in defendant's defense; but, by pleading guilty, defendant waives or gives up those rights and there will be no trial. The defendant further understands that if defendant pleads guilty, the Court may ask defendant questions about the offense or offenses to which defendant pleaded, and if defendant answers those questions under oath, on the record, and in the presence of counsel (if any), defendant's answers may later be used against defendant in a prosecution for perjury or false statement. The defendant also understands that defendant will be adjudicated guilty of the offenses to which defendant has pleaded and, if any of such offenses are felonies, may thereby be deprived of certain rights, such as the right to vote, to hold public office, to serve on a jury, or to have possession of firearms.

9. Factual Basis

Defendant is pleading guilty because defendant is in fact guilty. The defendant certifies that defendant does hereby admit that the facts set forth below are true, and were this case to go to trial, the United States would be able to prove those specific facts and others beyond a reasonable doubt:

FACTS

In early 2008, the Internal Revenue Service Criminal Investigation (hereinafter "IRS"), United States Secret Service, and the Federal Bureau of Investigation (hereinafter "FBI"), initiated an investigation into a mortgage fraud conspiracy that was operating in Cape Coral, Florida, between 2007 and 2008. The investigation targeted mortgage brokers, closing agents, attorneys, police officers, and others. TROY BOSSERT, TYLER FORREY, STEPHEN PETROVICH, RYAN O'BRIEN, and STEVEN REESE were the main targets of the investigation.

The investigation centered on transactions referred to as "cash-out deals" in which the individuals fraudulently obtained funds from real estate transactions by falsifying loan applications and Housing and Urban Development (hereinafter "HUD") settlement statements. Members of the conspiracy directed the closing agent to wire funds to limited liability corporations in the control of the coconspirators.

Members of the conspiracy identified homes for sale by owner and personally approached the home owners, informing the sellers that they were mortgage brokers and that they had identified buyers that were willing to pay asking price for the seller's residential property. At this time, the housing market in Fort Myers, Florida, was steadily declining and the sellers were desperate to sell their properties. Some sellers were told that the buyers would like to obtain additional funds from the bank to utilize for repairs or improvements on the home to be purchased. It was explained to the sellers that these additional funds required an increased sales price and a payment to LLCs to hold the funds for the future improvements. Other sellers signed off on a HUD settlement statement reflecting the agreed upon sales price. After closing, members of

the conspiracy switched the HUD settlement statement signed by the sellers with a fraudulent HUD settlement statement reflecting an inflated sales price.

The loan application was falsified for buyers who were unable to afford the homes purchased at the increased sales prices. In addition, the coconspirators created fictitious cashier's checks, banks statements, Forms W-2, and other documents which were, in turn, submitted to the lender as part of the loan application. The fraudulent loan application was submitted to the financial institution for the appropriate personnel to rely on when making the decision on whether or whether not to fund the loan. The HUD settlement statements were manipulated to show fraudulent loan payoff amounts payable to LLCs typically in excess of $100,000. The LLCs, created by members of the conspiracy, were used to receive the fraudulent funds from the lender. Once the funds were received from closing and disbursed to the LLCs, the funds were divided among various members of the conspiracy. None of the money was used for home repairs or improvements. In fact, the majority of the buyers never intended to keep the house. Once the buyers received "cash-out" payments from the real estate purchase transaction, the buyers made approximately three mortgage payments on the purchased home and then stopped making payments and would let the home foreclose.

A. Scheme perpetrated through New Cape Holdings and Douglas Holdings

Tyler FORREY and Steven REESE formed Franklin, Morgan, and Chase, Inc., a brokerage firm, on May 18, 2005. FORREY and REESE invested in real estate, flipping investment properties, and brokering loans through Franklin, Morgan, and Chase. In addition, Tyler FORREY and Steven REESE were 50% members of New Cape Holdings, LLC, established on December 2, 2004. Tyler FORREY was also the

President of Douglas Holdings and Investments, Inc. which was established on April 26, 2004.

The first "cash-out deal" that FORREY and REESE orchestrated involved property located at 5609 Del Rio Court, Fort Myers, Florida. PETROVICH, a Cape Coral police officer, approached REESE because he was in need of money. FORREY and REESE structured the cash-out deal. A mortgage broker with Franklin, Morgan, & Chase brought the seller to the table. The seller agreed to sell his home for an inflated sales price of $725,000. The seller was informed that the buyer needed the extra money to renovate and remodel the home.

The loan application for the PETROVICH deal was fraudulent, containing an inflated monthly income and a fake deposit. BOSSERT altered a cashier's check to show a deposit from PETROVICH to the seller. FORREY obtained a fake verification of employment and the fraudulent cashier's check to submit to the lender. The loan application was submitted to IndyMac Bank, FSB, an FDIC insured entity, for $651,500. Lee Title Services was the title agency. IndyMac wired $651,500 to Lee Title Services on the closing date of May 17, 2007, via the Federal Reserve Bank operations center in Newark, New Jersey. The seller directed a wire transfer of $102,060 to New Cape Holdings. Tyler FORREY transferred $62,000 from the New Cape Holdings account to his personal account. FORREY later transferred $37,000 from his personal account to Stephen PETROVICH's personal savings account. PETROVICH received a cashier's check in the amount of $20,000 from the New Cape Holdings account. PETROVICH made a few payments and then walked on the home. The house went into foreclosure and PETROVICH filed for bankruptcy shortly thereafter. PETROVICH used the money

that he pulled from the Del Rio deal to pay back loans, pay his legal fees, and other expenditures.

The second transaction involved property located at 5223 Stratford Court, Cape Coral, Florida. Stephen PETROVICH brought the buyer to Tyler FORREY and Stephen REESE. FORREY and REESE drove around looking for homes for sale by owner and found a seller. They introduced themselves as real estate brokers from Franklin, Morgan, and Chase, and informed the seller that they had a buyer willing to purchase his home. The seller had three properties for sale and he showed FORREY and REESE all three properties. FORREY told the seller that they would like to sell his homes for an inflated sales price because the buyers intended on using some of the extra funds to pay for improvements to the home that would be made after the purchase. The owner agreed to sell 5223 Stratford Court for an inflated sales price of $625,000. The loan application was fraudulent, displaying an inflated monthly income, an inflated balance in the checking account, and inflated rental income. The fraudulent loan application induced the lender, JP Morgan Chase, an FDIC insured entity, to give the buyer a loan in the amount of $593,750. The loan amount was wired to Oxford Title on the closing date, September 4, 2007, via the Federal Reserve Bank operations center in Newark, New Jersey. Subsequently, Oxford Title wired $105,000 to Noah Enterprises (PETROVICH) and wired $34,246.53 to New Cape Holdings, LLC (FORREY and REESE). These amounts were shown on the HUD statement as pay-offs for existing liabilities. Steven REESE withdrew $17,500 in cash, approximately half of the proceeds, on September 6, 2007. Tyler FORREY transferred $11,213 from the New Cape Holdings account to Stephen PETROVICH's personal account. The buyer

received in excess of $90,000 via cashier's checks from Noah Enterprises. The buyer made three mortgage payments on the property and then walked. The house went into foreclosure.

The next transaction involved property located at 130 SW 49th Street, Cape Coral, Florida. A mortgage broker with Franklin Morgan, and Chase, brought the buyer to the table. FORREY and REESE told the seller that the sales price of the home needed to be inflated so the buyer could make improvements to the home. Specifically, he was told that the buyer was going to put in a third bedroom and a pool. The owner agreed to sell the house for an inflated sales price of $385,000. The loan application was fraudulent, including false employment, inflated monthly income, and an inflated checking account balance. The fraudulent loan application induced the lender, Bank United, an FDIC insured entity, to give the buyer a loan in the amount of $385,000. The loan amount was wired to Oxford Title on the closing date of December 19, 2007, via the Federal Reserve Bank operations center in Newark, New Jersey. Similar to the other LLC deals, money was given to New Cape Holdings via a check for the amount of $97,543.16. This amount was shown on the HUD statement as a pay-off for existing liabilities. The buyer walked from the house and the house went into foreclosure shortly thereafter.

The fourth transaction was 5341 Cobalt Court, Cape Coral, Florida. FORREY and REESE found the buyer and a mortgage broker for Franklin Morgan and Chase brought the seller to the table. The sales price was inflated on the HUD settlement statement to $725,000. The loan application was fraudulent, including inflated monthly income and false deposit. The fraudulent loan application induced the lender,

Southpointe Financial Services, a correspondent lender for CitiMortgage, an FDIC insured entity under CitiGroup, Inc., to give the buyer a loan in the amount of $616,250. Southpointe Financial Services wired the loan amount to Oxford Title on the closing date, February 29, 2008, via the Federal Reserve Bank operations center in Newark, New Jersey. Similar to the other LLC deals, money was given to Douglas Holdings, LLC (FORREY) via a check for the amount of $166,700. Tyler FORREY cut a cashier's check for $117,200 to the buyer. The buyer walked and attempted to short sell the house. The house went into foreclosure shortly thereafter.

B. Scheme perpetrated through Noah Enterprises and Four Forty Two Holdings

Stephen PETROVICH and Ryan O'BRIEN were 50% members of Four Forty Two Holdings. Stephen PETROVICH was a co-member of Noah Enterprises, along with his wife. As referenced above, $105,000 of the 5223 Stratford Court deal was laundered through Noah Enterprises. In addition, PETROVICH and O'BRIEN directed several cash-out deals.

By 2008, the real estate market in the Fort Myers area had collapsed and the members of the conspiracy realized that it would be difficult to convince sellers to sell their homes at the inflated prices. Members of the conspiracy decided to cut the sellers out of the transaction and substitute the HUD settlement statement for a fraudulent HUD settlement statement with an increased purchase price. The sale of 2649 SW 29th Avenue, Cape Coral, Florida, was the first deal with a double HUD settlement statement.

In March 2008, Ryan O'BRIEN needed money and wanted to buy a home pursuant to the cash-out deal scheme. O'BRIEN contacted the owners of 2649 SW 29th Avenue, Cape Coral, Florida, after viewing their "for sale by owner" sign and told them that he would like to buy their home for the listed purchase price. On January 30, 2008, Troy BOSSERT and O'BRIEN came over to the seller's home and submitted a sales contract for $355,000. BOSSERT represented himself as a mortgage broker with Franklin, Morgan, and Chase. Oxford Title contacted the sellers with a closing date and the transaction closed on March 7, 2008. The sellers signed the HUD settlement statement and all necessary documentation for a sales price of $355,000. After the closing, members of the conspiracy submitted a second fraudulent HUD settlement statement with a sales price of $725,000.

The loan application was based upon the inflated sales price of $725,000. The loan application contained other fraudulent representations, such as inaccurate designation as primary residence, inflated monthly income, and false deposit. The fraudulent loan application induced the lender, Southpointe Financial Services, a correspondent lender for CitiMortgage, Inc., an FDIC insured entity under CitiGroup, Inc., to give O'Brien a loan in the amount of $580,000. Southpointe Financial Services wired the loan amount to Oxford Title on the closing date, March 7, 2008, via the Federal Reserve Bank operations center in Newark, New Jersey. That same day, money was wired to Four Forty Two Holdings, LLC, in the amount of $178,480.60. This amount was listed on the HUD settlement statement as a pay-off for an existing liability. PETROVICH and O'BRIEN split the $178,480.60. Four Forty Two Holdings purchased a cashier's check payable to Ryan O'BRIEN in the amount of $39,200. The defendants

slowly withdrew the rest of the money via cash check withdrawals in amounts less than $10,000. O'BRIEN made a few payments on the home, but then attempted to short sell the house. The house is currently in foreclosure.

The next transaction was for property located at 1414 NE 14th Avenue, Cape Coral, Florida. PETROVICH and O'BRIEN directed the cash-out deal. BOSSERT informed the sellers that the purchase price of the home was going to be inflated so that the buyers could pay off a loan. The homeowner agreed to sell his home for an inflated sales price of $290,000. The loan application was fraudulent, including an inaccurate designation of primary residence and an inflated monthly income. The fraudulent loan application induced the lender, Florida Capital Mortgage Bank, an FDIC insured entity, to give the buyer a loan in the amount of $261,000. The loan amount was wired to Oxford Title on the closing date, July 10, 2008, via the Federal Reserve Bank operations center in Newark, New Jersey. Oxford Title wired $115,133.81 to Four Forty Two Holdings, LLC (PETROVICH and O'BRIEN). Ryan O'BRIEN endorsed checks to the buyer of the home in the amount of $45,000 and to Tyler FORREY in the amount of $15,000. PETROVICH and O'BRIEN split the balance.

C. Scheme perpetrated through Statewide Investments and ACI Holdings

Helios Financial Center, Inc., doing business as Statewide Investments and Realty, was an entity under the control of Troy BOSSERT. BOSSERT was a signatory for the bank accounts of ACI Holdings.

BOSSERT orchestrated a cash-out deal in his own name for 4923 SW 8th Court, Cape Coral, Florida. The homeowner agreed to sell the home for an inflated sales price

of $763,000. The loan application was fraudulent, including a fake deposit, false claim of primary residence, and inflated income. The fraudulent loan induced the lender, Lehman Brothers Bank, FSD, an FDIC insured entity, to give Bossert a loan in the amount of $724,850. The loan amount was wired to Lee Title Services, Inc., on the closing date, May 4, 2007, via the Federal Reserve Bank operations center in Newark, New Jersey. Lee Title wired $179,915.45 to ACI Holdings LLC and $41,436.94 to Troy BOSSERT's personal account. BOSSERT endorsed a check made payable to SunCoast Schools FCU in the amount of $17,933.03 to pay off his credit card debt. He also paid $88,638.41 to the U.S. Treasury to pay prior tax liabilities. BOSSERT made three mortgage payments and walked from the home. The house went into foreclosure shortly thereafter.

The next transaction also involved a fraudulent second HUD settlement statement. In 2008, FORREY orchestrated a cash-out deal for a friend. FORREY and BOSSERT found a house that was for sale by owner located at 4311 Pelican Boulevard, Cape Coral, Florida. The sellers signed a HUD settlement statement for a purchase price of $248,000. After closing, FORREY switched out the HUD settlement statement for a fraudulent HUD settlement statement with a purchase price of $520,000. The loan application was based on the fraudulent sales price of $520,000. The loan application also included fraudulent representations, including false employment, inflated monthly income, misrepresented primary residence, and false deposit. The fraudulent loan application induced the lender, Florida Capital Mortgage Bank, an FDIC insured entity, to give the buyer a loan in the amount of $416,000. The loan amount was wired to Oxford Title on the closing date, June 18, 2008, via the

Federal Reserve Bank operations center in Newark, New Jersey. Oxford Title wired $153,725.34 to Statewide Investments (BOSSERT). BOSSERT withdrew $28,500 and $7,600 from the account. BOSSERT purchased a cashier's check made payable to the buyer and distributed $28,500 to Tyler Forrey. The sellers did not learn about the inflated sales price until their accountant called a few months later.

The conspiracy resulted in approximately $4,228,350.00 in fraudulent loan amounts.

10. Entire Agreement

This plea agreement constitutes the entire agreement between the government and the defendant with respect to the aforementioned guilty plea and no other promises, agreements, or representations exist or have been made to the defendant or defendant's attorney with regard to such guilty plea.

11. Certification

The defendant and defendant's counsel certify that this plea agreement has been read in its entirety by (or has been read to) the defendant and that defendant fully understands its terms.

DATED this 24 day of ~~January~~ February 2010.

A. BRIAN ALBRITTON
United States Attorney

Tyler Forrey
Defendant

By: Nicole H. Waid
Nicole H. Waid
Assistant United States Attorney

Landon Miller
Attorney for Defendant

Douglas Molloy
Assistant United States Attorney
Chief, Fort Myers Division