

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

UNITED STATES OF AMERICA	:	CRIMINAL NO. <u>10-</u>
v.	:	DATE FILED: <u>December 9, 2010</u>
ANTHONY JAMES DEMARCO, III	:	VIOLATIONS:
MICHAEL RICHARD ROBERTS	:	18 U.S.C. § 1349 (conspiracy – 1 count)
SEAN RYAN MCBRIDE	:	18 U.S.C. § 1341 (mail fraud - 1 count)
ERIC BASCOVE	:	18 U.S.C. § 1343 (wire fraud - 8 counts)
	:	18 U.S.C. § 1344 (bank fraud - 4 counts)
	:	18 U.S.C. § 1957 (money laundering – 1
	:	count)
	:	18 U.S.C. § 2 (aiding and abetting)
	:	Notice of forfeiture

INDICTMENT

COUNT ONE

THE GRAND JURY CHARGES THAT:

BACKGROUND

1. From in or about September 2006 through in or about July 2009, defendant ANTHONY JAMES DEMARCO, III, was the president of DeMarco REI, Inc. (“DeMarco REI”), a mortgage rescue foreclosure company. From approximately January 2008 through July 2009, defendant DEMARCO operated DeMarco REI from an office in Philadelphia, Pennsylvania.

2. From in or about June 2008 until in or about early 2009, defendant MICHAEL RICHARD ROBERTS was vice president of sales at DeMarco REI.

3. From in or about June 2008 to in or about June 2009, defendant ERIC BASCOVE was an employee at DeMarco REI.

4. At all times material to this indictment, defendant SEAN RYAN MCBRIDE was a title agent at Settlement Engine, Inc., in Pittsburgh, Pennsylvania. As a

settlement agent and agent for a title insurance company, defendant MCBRIDE received funds from lenders and deposited them into an escrow account. He was obligated to disburse funds from real estate transactions only as detailed on the settlement statement, also known as a Form HUD-1, after the buyer of the real estate had provided the required funds for closing. Settlement Engine closed loans for DeMarco REI from approximately June 2008 through early December 2008.

5. At all times relevant to this indictment, Flagstar Bank FSB was a financial institution headquartered in Troy, Michigan, and its deposits were insured by the Federal Deposit Insurance Corporation (“FDIC”).

6. At all times relevant to this indictment, American Partners Bank, which changed its name to Waterfield Bank in January 2008, was a financial institution headquartered in Germantown, Maryland, and its deposits were insured by the FDIC.

7. At all times relevant to this indictment, Everbank was a financial institution headquartered in Jacksonville, Florida, and its deposits were insured by the FDIC.

THE CONSPIRACY

8. From in or June 2008 through in or about December 2008, in the Eastern District of Pennsylvania, and elsewhere, defendants

**ANTHONY JAMES DEMARCO, III,
MICHAEL RICHARD ROBERTS
SEAN RYAN MCBRIDE, and
ERIC BASCOVE**

conspired and agreed, together with others known and unknown to the grand jury, to knowingly devise a scheme to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and to obtain monies owned by and under

the care, custody, and control of a financial institution by means of false and fraudulent pretenses, representations, and promises, in violation of Title 18, United States Code, Sections 1343 and 1344.

MANNER AND MEANS

It was part of the conspiracy that:

DeMarco REI

9. Defendant ANTHONY JAMES DEMARCO, III, directed his employees to contact homeowners in financial distress and pitch a solution. The “pitch” varied, but typically DeMarco REI employees explained that DeMarco REI would buy the homeowner’s house and rescue the financially distressed homeowner from foreclosure. Under this plan, the former homeowner could continue to live in his home, paying rent to DeMarco REI for one year. DeMarco REI employees claimed that, during that term, they would help repair the homeowner’s credit and assist the homeowner in obtaining a mortgage to repurchase his house. The DeMarco REI employees further claimed that, if there was equity in their house at the time of the sale to DeMarco REI, then DeMarco REI would put that money into an escrow account or rent reserve account for the homeowner.

10. However, DeMarco REI did not purchase the house from the homeowner. Instead, defendant ANTHONY JAMES DEMARCO, III, and his employees solicited “investors” to buy the homes of people facing foreclosure. Defendant DEMARCO executed contracts with the investors, making clear that the investor would put no money into the transaction. Rather, DeMarco REI would provide the investor with the down payment to purchase the property and DeMarco REI would make the monthly mortgage payments.

11. Once an investor was paired with a distressed homeowner, DeMarco REI employees then prepared a mortgage application, also known as a HUD Form 1003, for the investor. However, in preparing these mortgage applications, defendants ANTHONY JAMES DEMARCO, III, MICHAEL RICHARD ROBERTS, ERIC BASCOVE, and other DeMarco REI employees acting at their direction, made numerous false statements and created numerous false and fraudulent documents to use to secure a larger mortgage loan than a lender would otherwise have approved.

12. Once an investor had been paired with a homeowner and a mortgage commitment had been secured, DeMarco REI employees arranged for the transaction to go to closing, using various different settlement companies. At closing, DeMarco REI arranged for the seller's proceeds – i.e., the seller's equity that was supposed to be deposited into an escrow account for the seller – to instead be deposited into DeMarco's REI's checking account. There never were any escrow accounts. Defendant DEMARCO then used the sellers' equity to fund the transactions, i.e., to pay the investor's down payment and closing costs, to operate DeMarco REI, and to fund his own lavish lifestyle.

Settlement Engine, Inc.

13. Defendant SEAN RYAN MCBRIDE authorized the disbursement of the proceeds due to the seller at closing from Settlement Engine's escrow account. Although the settlement statements prepared by Settlement Engine for the DeMarco REI transactions routinely falsely showed that the sellers' proceeds were disbursed to the sellers, defendant MCBRIDE routinely authorized the disbursement of the sellers' proceeds not to the sellers but to DeMarco REI.

14. In or about August 2008, defendant SEAN RYAN MCBRIDE began wiring the seller's proceeds to DeMarco REI before DeMarco REI wired the buyer's funds to Settlement Engine, thus enabling DeMarco REI to use the seller's equity to pay the buyer's down payment and closing costs.

OVERT ACTS

In furtherance of the conspiracy and to accomplish its objects, the defendants committed the following overt acts, among others, in the Eastern District of Pennsylvania and elsewhere:

The Sale of P.H.'s Home to Investor M.B.

15. P.H. owned her home in Stowe, Pennsylvania, and had no mortgage. By 2008, P.H. had financial problems. Defendant MICHAEL RICHARD ROBERTS called P.H. and they discussed "refinancing" her house. However, rather than re-financing the house, defendant ROBERTS and others at DeMarco REI arranged to sell the house from P.H. to M.D.B., a DeMarco REI investor.

16. DeMarco REI employees prepared a false mortgage application to obtain a mortgage loan from Flagstar Bank for investor M.D.B. In the application, DeMarco REI employees falsely stated that M.D.B. had \$70,000 in a bank account at Commerce Bank. On or about September 18, 2008, defendant ERIC BASCOVE altered M.D.B.'s Commerce Bank account statement, inflating M.D.B.'s ending balance from approximately \$3,399.76 to approximately \$73,399.76. Defendant BASCOVE emailed this altered bank statement to defendant MICHAEL RICHARD ROBERTS. This altered account statement was then sent to Flagstar Bank in support of the mortgage application for M.D.B.'s purchase of P.H.'s house.

17. Settlement Engine, Inc., was the settlement agent for this transaction. On or about October 1, 2008, Flagstar Bank wired M.D.B.'s new mortgage loan to Settlement Engine. Defendant SEAN RYAN MCBRIDE then wired all of the money due to the seller P.H. to DeMarco REI. In turn, DeMarco REI wired back to Settlement Engine the money due from the buyer, namely, M.D.B.'s down payment and closing costs, and DeMarco REI kept the difference.

The Sale of R.P.'s Home to Investor D.P.

18. R.P. owned a condominium in Lincoln Park, New Jersey. He had no mortgage. Eventually, R.P. decided to try to sell his condominium. On or about October 9, 2008, defendant ANTHONY JAMES DEMARCO, III, came to R.P.'s condominium and offered R.P. approximately \$304,000 for the condo. R.P. accepted the offer and signed papers that day.

19. Defendant ANTHONY JAMES DEMARCO, III, told R.P. that he would wire the money to R.P.'s bank account. However, no money was ever wired to the account, despite R.P.'s repeated phone calls to defendant DEMARCO and others at DeMarco REI.

20. Settlement Engine was the closing agent for this transaction, for which Flagstar Bank was the new mortgage lender for the buyer D.P. Defendant ANTHONY JAMES DEMARCO, III caused a false settlement statement to be prepared. The HUD shows that D.P. purchased R.P.'s condo for approximately \$380,000, paying approximately \$89,626.84 in down payment and closing costs. The HUD shows that R.P. received approximately \$363,908.21 from the sale of his condo. DeMarco REI's name appears nowhere on the HUD.

21. In fact, D.P. was a DeMarco REI investor and he paid nothing to purchase R.P.'s condominium, and R.P. received nothing from the sale of his condominium. Instead,

Settlement Engine wired all of the money due to R.P. to DeMarco REI, which then used some of the money to pay D.P.'s down payment and closing costs, wiring that money back to Settlement Engine, and kept the balance.

The Sale of A.B.'s Home to Investor S.R.

22. A.B. owned a home on Garden Lane in Bensalem, Pennsylvania. He was laid-off from his job and fell behind in his mortgage payments. A DeMarco REI employee called A.B. The employee offered to help A.B. save his home, regain ownership, and repair his credit. A.B. accepted the offer.

23. During the settlement for the sale of his home, A.B. asked when he would receive money from the sale, and defendant MICHAEL RICHARD ROBERTS falsely told A.B. that the money would be held in an escrow account and A.B. would get the money when A.B. re-purchased his home.

24. A DeMarco REI employee recruited S.R. to be a straw purchaser of A.B.'s home.

25. Settlement Engine closed the transaction on or about December 5, 2008. Defendant SEAN RYAN MCBRIDE took approximately \$39,620.62 of the cash due to A.B. and disbursed this money to the personal accounts of defendants ANTHONY JAMES DEMARCO, III, MICHAEL ROBERTS, and MCBRIDE, and to an account of C.C. Defendant MCBRIDE wired the remainder to DeMarco REI's account.

26. Defendants ANTHONY JAMES DEMARCO, III, MICHAEL ROBERTS, and SEAN RYAN MCBRIDE caused a false settlement statement to be prepared. None of the

disbursements described above was reflected on the settlement statement. Rather, it showed that A.B. received \$104,673.79 from the sale of his house. In reality, A.B. never received a penny.

The Sale of R.H.'s Home to Investor S.R.

27. On or about December 9, 2008, in relation to a closing for the sale of R.H.'s home in Pennsauken, New Jersey, to investor S.R., defendant MICHAEL RICHARD ROBERTS sent an e-mail to P.D. attaching a computer-generated image of a non-existent TD Bank Official Check, purportedly purchased by the buyer and payable to the seller for approximately \$41,136.93. In reality, there was no such check, and the seller received nothing from the sale of her home.

All in violation of Title 18, United States Code, Section 1349.

COUNT TWO

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 7 and 9-12 of Count One of this indictment are incorporated here.

THE SCHEME

2. From approximately in or about 2006 to in or about April 2009,

ANTHONY JAMES DEMARCO, III,

knowingly devised and intended to devise a scheme to defraud, and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

3. In total, from approximately 2006 through April 2009, defendant ANTHONY JAMES DEMARCO, III, and his criminal associates fraudulently obtained approximately \$31 million of new mortgage loans on approximately 114 properties through this scheme. From this new mortgage money, defendant DEMARCO obtained approximately \$11 million of proceeds due to the sellers (i.e., their equity).

MANNER AND MEANS

It was part of the scheme that:

The Sale of M.S. and L.S.'s Home to M.B.

4. In 2007, M.S. and L.S. were having financial difficulties and were facing foreclosure on their home in Spotswood, New Jersey. A DeMarco REI employee told M.S. that DeMarco REI would purchase M.S. and L.S.'s home and M.S. and L.S. would lease the house, paying rent to DeMarco REI, while DeMarco REI restored their credit. A DeMarco REI

employee told M.S. that after a year he would be able to purchase the house back from DeMarco REI.

5. DeMarco REI employees prepared a fraudulent contract for the sale of M.S. and L.S.'s home to DeMarco REI which the employees presented to M.S. and L.S. for signature. DeMarco REI employees also prepared a contract for the sale of the M.S. and L.S.'s home to M.B., a DeMarco REI investor. On or about November 19, 2007, the home was sold to M.B.

6. Over the course of the next year, M.S. and L.S. acquired the funds to repurchase their house. They contacted defendant ANTHONY JAMES DEMARCO, III, who told them to wire funds to a particular account at Sovereign Bank.

7. On or about March 5, 2009, at defendant ANTHONY JAMES DEMARCO, III's direction, M.S. and L.S. wired \$245,000 from M.S.'s bank account in New Jersey to defendant DEMARCO's personal account at Sovereign Bank, which M.S. believed was a DeMarco REI account.

8. On or about March 6, 2009, defendant ANTHONY JAMES DEMARCO, III used these funds to purchase a Ferrari and to buy jewelry and used none of the funds for the purchase of M.S. and L.S.'s house.

9. On or about March 5, 2009, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

ANTHONY JAMES DEMARCO, III,

for the purpose of executing the scheme described above, and attempting to do so, caused to be transmitted by means of wire communication in interstate commerce \$245,000 from M.S.'s

account in New Jersey to defendant DEMARCO's personal account at Sovereign Bank in Pennsylvania.

All in violation of Title 18, United States Code, Section 1343.

COUNT THREE

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 7 and 9 through 12 of Count One, and paragraphs 2 through 8 of Count Two, are incorporated here.

2. On or about March 6, 2009, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

ANTHONY JAMES DEMARCO, III

knowingly engaged in a monetary transaction affecting interstate commerce in criminally derived property of a value greater than \$10,000, and such property was derived from a specified unlawful activity, that is wire fraud, in violation of Title 18, United States Code, Section 1343.

All in violation of Title 18, United States Code, Section 1957.

COUNT FOUR

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 7 and 9 through 17 of Count One of this indictment are incorporated here.

2. In or about October 2008, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendants

**MICHAEL RICHARD ROBERTS
ERIC BASCOVE, and
SEAN RYAN MCBRIDE**

knowingly executed, and attempted to execute, and aided and abetted the execution of, a scheme to defraud Flagstar Bank FSB, and to obtain monies owned by and under the care, custody, and control of that bank by means of false and fraudulent pretenses, representations, and promises.

In violation of Title 18, United States Code, Sections 1344 and 2.

COUNT FIVE

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 7 and 9 through 17 of Count One of this indictment are incorporated here.

THE SCHEME

2. From in or about September 2008 to October 1, 2008, defendant

**MICHAEL RICHARD ROBERTS and
SEAN RYAN MCBRIDE**

knowingly devised and intended to devise a scheme to defraud, and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

3. On or about October 1, 2008, in Pittsburgh, in the Western District of Pennsylvania, and elsewhere, defendants

**MICHAEL RICHARD ROBERTS and
SEAN RYAN MCBRIDE**

for the purpose of executing the scheme described above, and aiding and abetting its execution, caused to be transmitted by means of wire communication in interstate commerce, a wire transfer of \$114,932.20 from Flagstar Bank in Troy, Michigan, to the escrow account of Settlement Engine, Inc. at PNC Bank in Pittsburgh, Pennsylvania.

All in violation of Title 18, United States Code, Sections 1343 and 2.

COUNT SIX

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 7 and 9 through 17 of Count One of this indictment are incorporated here.

THE SCHEME

2. From in or about September 2008 to October 1, 2008, defendant

**MICHAEL RICHARD ROBERTS and
SEAN RYAN MCBRIDE**

knowingly devised and intended to devise a scheme to defraud, and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

3. On or about September 30, 2008, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendants

**MICHAEL RICHARD ROBERTS and
SEAN RYAN MCBRIDE**

for the purpose of executing the scheme described above, and aiding and abetting its execution, caused to be transmitted by means of wire communication in interstate commerce, an e-mail message from C.S. at Settlement Engine in Pittsburgh to P.M. at DeMarco REI in Philadelphia, attaching a copy of the HUD for the sale of P.H.'s home to M.D.B. and asking P.M. whether the HUD was "OK."

All in violation of Title 18, United States Code, Sections 1343 and 2.

COUNT SEVEN

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 7, 9 through 14, and 18 through 21 of Count One of this indictment are incorporated here.

2. In or about October 2008, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendants

**ANTHONY JAMES DEMARCO, III
MICHAEL RICHARD ROBERTS, and
SEAN RYAN MCBRIDE**

knowingly executed, and aided and abetted the execution of, a scheme to defraud Flagstar Bank FSB, and to obtain monies owned by and under the care, custody, and control of that bank by means of false and fraudulent pretenses, representations, and promises.

In violation of Title 18, United States Code, Sections 1344 and 2.

COUNT EIGHT

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 7, 9 through 14, and 18 through 21 of Count One of this indictment are incorporated here.

THE SCHEME

2. In or about October 2008, defendant

**ANTHONY JAMES DEMARCO, III
MICHAEL RICHARD ROBERTS, and
SEAN RYAN MCBRIDE**

knowingly devised and intended to devise a scheme to defraud, and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

3. On or about October 9, 2008, in the Western District of Pennsylvania, and elsewhere, defendants

**ANTHONY JAMES DEMARCO, III,
MICHAEL RICHARD ROBERTS, and
SEAN RYAN MCBRIDE**

for the purpose of executing the scheme described above, and aiding and abetting its execution, caused to be transmitted by means of wire communication in interstate commerce, a wire transfer of \$300,875.48 from Flagstar Bank in Troy, Michigan, to the escrow account of Settlement Engine, Inc. at PNC Bank in Pittsburgh, Pennsylvania.

All in violation of Title 18, United States Code, Sections 1343 and 2.

COUNT NINE

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 9, 9 through 14, and 18 through 21 of Count One of this indictment are incorporated here.

THE SCHEME

2. In or about October 2008, defendant

**ANTHONY JAMES DEMARCO, III
MICHAEL RICHARD ROBERTS, and
SEAN RYAN MCBRIDE**

knowingly devised and intended to devise a scheme to defraud, and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

3. On or about October 9, 2008, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendants

**ANTHONY JAMES DEMARCO, III,
MICHAEL RICHARD ROBERTS, and
SEAN RYAN MCBRIDE**

for the purpose of executing the scheme described above, and aiding and abetting its execution, caused to be transmitted by means of wire communication in interstate commerce, an e-mail message from C.S. at Settlement Engine in Pittsburgh, Pennsylvania, to defendant MICHAEL RICHARD ROBERTS at DeMarco REI in Philadelphia, advising him that she is sending the HUD, for the sale of R.P.'s home to D.P., to P.M. at DeMarco REI and will then send P.M. the seller packet to give to "you guys."

All in violation of Title 18, United States Code, Sections 1343 and 2.

COUNT TEN

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 7, 9 through 14, and 22 through 26 of Count One of this indictment are incorporated here.

2. In or about December 2008, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendants

**ANTHONY JAMES DEMARCO, III,
MICHAEL RICHARD ROBERTS, and
SEAN RYAN MCBRIDE**

knowingly executed, and aided and abetted the execution of, a scheme to defraud American Partners Bank, also known as Waterfield Bank, and to obtain monies owned by and under the care, custody, and control of that bank by means of false and fraudulent pretenses, representations, and promises.

In violation of Title 18, United States Code, Section 1344 and 2.

COUNT ELEVEN

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 7, 9 through 12, and 22 through 26 of Count One of this indictment are incorporated here.

THE SCHEME

2. In or about December 2008, defendants

**ANTHONY JAMES DEMARCO, III,
MICHAEL RICHARD ROBERTS, and
SEAN RYAN MCBRIDE**

knowingly devised and intended to devise a scheme to defraud, and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

3. On or about December 5, 2008, in Pittsburgh, in the Western District of Pennsylvania, and elsewhere, defendants

**ANTHONY JAMES DEMARCO, III,
MICHAEL RICHARD ROBERTS, and
SEAN RYAN MCBRIDE,**

for the purpose of executing the scheme described above, and aiding and abetting its execution, caused to be transmitted by means of wire communication in interstate commerce, a wire transfer of \$206,808.38 from American Partners Bank in Carmel, Indiana, to the escrow account of Settlement Engine, Inc. at PNC Bank in Pittsburgh, Pennsylvania.

All in violation of Title 18, United States Code, Sections 1343 and 2.

COUNT TWELVE

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 7, 9 through 14, and 22 through 26 of Count One of this indictment are incorporated here.

THE SCHEME

2. In or about December 2008, defendants

**ANTHONY JAMES DEMARCO, III,
MICHAEL RICHARD ROBERTS, and
SEAN RYAN MCBRIDE**

knowingly devised and intended to devise a scheme to defraud, and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

3. On or about December 5, 2008, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendants

**ANTHONY JAMES DEMARCO, III,
MICHAEL RICHARD ROBERTS, and
SEAN RYAN MCBRIDE,**

for the purpose of executing the scheme described above, and aiding and abetting its execution, caused to be transmitted by means of wire communication in interstate commerce, an e-mail message from C.S. at Settlement Engine in Pittsburgh to P.M. at DeMarco REI in Philadelphia , attaching a revised HUD for the sale of A.B.'s home to S.R. and asking "How's this one?"

All in violation of Title 18, United States Code, Sections 1343 and 2.

COUNT THIRTEEN

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 7 and 9 through 12 of Count One of this indictment are incorporated here.

2. B.M. inherited his residence in Elizabeth, Pennsylvania, in about 2000. Several years later, B.M. was in the process of divorcing his wife. Their property settlement provided that she would receive half of the appraised value of the home, approximately \$60,000. B.M. needed to sell or mortgage his house to obtain this money.

3. B.M. met with defendant SEAN RYAN MCBRIDE at Settlement Engine in Pittsburgh. Defendant MCBRIDE told B.M. that defendant MCBRIDE would arrange for an investor to purchase the M.B.'s home on a short-term basis, the \$60,000 would be paid to B.M.'s wife, and B.M. would be able to re-purchase his home as soon as defendant MCBRIDE could find him the right mortgage lender. B.M. agreed to defendant MCBRIDE's proposal.

4. Defendant SEAN RYAN MCBRIDE arranged for a straw buyer, J.S., to take title to B.M.'s home. J.S. put no money into the transaction.

5. Settlement Engine was the settlement agent for this transaction. On or about October 31, 2008, Everbank in Jacksonville, Florida, wired \$102,090.77 to Settlement Engine, the new mortgage money. Defendant SEAN RYAN MCBRIDE took approximately \$21,000 of the cash due to B.M. and instead disbursed this money to, among others, himself and J.S. the buyer, who put no money into this transaction. Defendant MCBRIDE also diverted approximately \$34,204.02 of the cash due to B.M. to make the "down payment" and pay closing costs. These disbursements are not reflected on the settlement statement.

6. B.M. then became a renter, paying approximately \$1,050 per month to Lake Haven Management, LLC, a company of which defendant MCBRIDE was president.

7. In or about October 2008, in Pittsburgh, in the Western District of Pennsylvania, and elsewhere, defendant

SEAN RYAN MCBRIDE

knowingly executed, and attempted to execute, a scheme to defraud Everbank, and to obtain monies owned by and under the care, custody, and control of that bank by means of false and fraudulent pretenses, representations, and promises.

In violation of Title 18, United States Code, Section 1344.

COUNT FOURTEEN

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 7 and paragraphs 9 through 12 of Count One and paragraphs 2 through 6 of Count Thirteen of this indictment are incorporated here.

THE SCHEME

2. In or about October 2008, defendant

SEAN RYAN MCBRIDE

knowingly devised and intended to devise a scheme to defraud, and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

3. On or about October 31, in Pittsburgh, in the Western District of Pennsylvania, and elsewhere, defendant

SEAN RYAN MCBRIDE

for the purpose of executing the scheme described above, and attempting to do so, caused to be transmitted by means of wire communication in interstate commerce, a wire transfer of approximately \$102,090.77 from Everbank in Jacksonville, Florida, to the escrow account of Settlement Engine, Inc. at PNC Bank in Pittsburgh, Pennsylvania.

All in violation of Title 18, United States Code, Section 1343.

COUNT FIFTEEN

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 7 and 9 through 12 of Count One of this indictment are incorporated here.

2. In July 2009, defendant ANTHONY JAMES DEMARCO, III, left DeMarco REI.

3. From in or about July 2009 through in or about December 2009, defendant ANTHONY JAMES DEMARCO, III was the Chief Executive Officer of Optima Property Management Group (“OPM Group”), in King of Prussia, Pennsylvania.

4. In or about the Summer 2009, G.C., an elderly widow on Primrose Street in Philadelphia, Pennsylvania, was facing foreclosure.

5. Defendant ANTHONY JAMES DEMARCO, III, arranged for the sale of G.C.’s house to J.M., an investor.

6. A.A. Inc. was the settlement agent for this transaction, which closed on or about September 15, 2009. The settlement sheet falsely shows that J.M. paid \$49,561.74 to cover the down payment and closing costs. In fact, J.M. paid nothing; instead, OPM Group paid J.M. an investor fee for purchasing G.C.’s house.

7. On or about September 17, 2009, A.A. wired \$49,561.74, the exact amount of the buyer’s down payment and closing costs, from the seller’s funds to OPM Group. Thereafter, OPM Group wired back \$49,561.74 to A.A., to pay the buyer’s funds to close.

8. After the sale of her home to J.M., G.C. remained in her home, paying rent to OPM Group.

9. On or about October 14, 2009, G.C. sent a Citizens Bank Official Check payable to OPM Group for \$1,000 to OPM Group in King of Prussia by Express Mail, for her rent. On or about October 19, 2009, this check was deposited into OPM Group's bank account.

10. Although the first mortgage payment on G.C.'s house was due on November 1, 2009, defendant ANTHONY JAMES DEMARCO, III, caused a check backed by insufficient funds to be sent to the mortgage company. The check ultimately bounced.

11. On or about October 14, 2009, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

ANTHONY JAMES DEMARCO, III,

for the purpose of executing the scheme described above, and attempting to do so, knowingly caused to be delivered by mail according to the directions thereon, an Express Mail package from G.C. in Philadelphia, Pennsylvania, to OPM Group, LLC, in King of Prussia, Pennsylvania, which contained a Citizens Bank Official Check payable to OPM Group for \$1,000 to OPM Group.

In violation of Title 18, United States Code, Section 1341.

NOTICE OF FORFEITURE

THE GRAND JURY FURTHER CHARGES THAT:

1. As a result of the violations of Title 18, United States Code, Sections 1341, 1343, and 1349, set forth in this indictment, defendants

**ANTHONY JAMES DEMARCO, III,
MICHAEL RICHARD ROBERTS,
SEAN RYAN MCBRIDE, and
ERIC BASCOVE**

shall forfeit to the United States of America any property constituting, or derived from, proceeds obtained directly or indirectly from the commission of such offenses, including, but not limited to the sum of \$31,202,684.

2. If any of the property described above, as a result of any actor omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred to, sold to, or deposited with a third party;
- c. has been placed beyond the jurisdiction of this Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty;

it is the intention of the United States, pursuant to 21 U.S.C. § 853(p), to seek forfeiture of any other property of the defendant up to the value of the property subject to forfeiture.

All pursuant to Title 18, United States Code, Section 981(a)(1)(C), 28 U.S.C.
§ 2461, and United States Code, Section 853.

A TRUE BILL:

GRAND JURY FOREPERSON

ZANE DAVID MEMEGER
United States Attorney