

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

UNITED STATES OF AMERICA : **CRIMINAL NO. 12-_____**
v. : **DATE FILED: February 16, 2012**
MITCHELL F. DEUTSCH : **VIOLATIONS:**
: **18 U.S.C. § 1014 (loan fraud - 5 counts)**
: **18 U.S.C. § 2 (aiding and abetting)**
: **Notice of forfeiture**

INDICTMENT

COUNT ONE

THE GRAND JURY CHARGES THAT:

At all times material to this indictment:

1. Defendant MITCHELL F. DEUTSCH was a New Jersey real estate developer involved in the purchase, equipping and operation of car wash establishments at various New Jersey locations.
2. Defendant MITCHELL F. DEUTSCH was a fifty percent partner of Kleen Rite, which owned and operated several car wash operations located in New Jersey.
3. Defendant MITCHELL F. DEUTSCH was the sole owner of Oceans Below, which owned the property beneath Pier One, a marina, recreation, motel and restaurant complex located in Toms River, New Jersey.
4. Republic First Bank ("Republic") was a financial institution with deposits insured by the Federal Deposit Insurance Company, Certificate No. 27332.

5. From in or about March 2005 to in or about April 2007, in the Eastern District of Pennsylvania, and elsewhere, defendant

MITCHELL F. DEUTSCH

knowingly made and caused to be made to Republic false statements for the purpose of influencing the actions of Republic upon a loan issued to Kleen Rite on March 25, 2005 in the amount of \$5,700,000.00, in that defendant DEUTSCH, in the name of Kleen Rite, caused a false loan application to be submitted to Republic, in that he misrepresented his assets through submission of the following documents:

- 1) A fraudulent and manufactured Schwab One Account statement for account number 1431-8576, a non-existent account, alleging a cash value of \$5,190,545.26 as of March 31, 2005.
- 2) A fraudulent and manufactured Schwab One Account statement for account number XXXX-9377 alleging a cash value of \$465,015.61 as of March 31, 2005.
- 3) Fraudulent and manufactured documents dated 2003 and 2004 misrepresenting cash assets.

All in violation of Title 18, United States Code, Sections 1014 and 2.

COUNT TWO

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 4 of Count One are incorporated here.
2. From in or about March 2005 to in or about April 2007, in the Eastern

District of Pennsylvania, and elsewhere, defendant

MITCHELL F. DEUTSCH

knowingly made and caused to be made to Republic false statements for the purpose of influencing the actions of Republic upon a loan issued to Oceans Below on June 30, 2005 in the amount of \$4,445,000.00, in that defendant DEUTSCH, in the name of Oceans Below, caused a false loan application to be submitted to Republic, in that he misrepresented his assets, the value of collateral, and his authority to provide collateral, through submission of the following documents:

- 1) A fraudulent personal financial statement alleging total assets of \$43,966,045.40 as of April 30, 2007.
- 2) A fraudulent personal financial statement alleging total assets of \$25,364,561 as of March 31, 2005.
- 3) A fraudulent appraisal dated April 12, 2005 of real estate jointly owned by defendant DEUTSCH and his wife.
- 4) A notarized power of attorney containing the forged signature of defendant DEUTSCH's wife.

All in violation of Title 18, United States Code, Sections 1014 and 2.

COUNT THREE

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 4 of Count One are incorporated here.
2. From in or about March 2005 to in or about April 2007, in the Eastern

District of Pennsylvania, and elsewhere, defendant

MITCHELL F. DEUTSCH

knowingly made and caused to be made to Republic false statements for the purpose of influencing the actions of Republic upon a loan issued to Kleen Rite on September 30, 2005 in the amount of \$2,642,000.00, in that defendant DEUTSCH, in the name of Kleen Rite, caused a false loan application to be submitted to Republic, in that he misrepresented his assets through submission of the following documents:

- 1) A fraudulent and manufactured Schwab One Account statement for account number 1431-8576, a non-existent account, alleging a cash value of \$5,190,545.26 as of March 31, 2005.
- 2) A fraudulent Schwab One Account statement for account number XXXX-9377 alleging a cash value of \$465,015.61 as of March 31, 2005.
- 3) Fraudulent and manufactured documents dated 2003 and 2004 misrepresenting cash assets.

All in violation of Title 18, United States Code, Sections 1014 and 2.

COUNT FOUR

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 4 of Count One are incorporated here.
2. From in or about March 2005 to in or about April 2007, in the Eastern

District of Pennsylvania, and elsewhere, defendant

MITCHELL F. DEUTSCH

knowingly made and caused to be made to Republic false statements for the purpose of influencing the actions of Republic upon a loan issued to Oceans Below on November 4, 2005 in the amount of \$355,000.00, in that defendant DEUTSCH, in the name of Oceans Below, caused a false loan application to be submitted to Republic, in that he misrepresented his assets, the value of collateral, and his authority to provide collateral, through submission of the following documents:

- 1) A fraudulent personal financial statement alleging total assets of \$43,966,045.40 as of April 30, 2007.
- 2) A fraudulent personal financial statement alleging total assets of \$25,364,561 as of March 31, 2005.
- 3) A fraudulent appraisal dated April 12, 2005 of real estate jointly owned by defendant DEUTSCH and his wife.
- 4) A notarized power of attorney containing the forged signature of defendant DEUTSCH's wife.

All in violation of Title 18, United States Code, Sections 1014 and 2.

COUNT FIVE

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 4 of Count One are incorporated here.
2. From in or about March 2005 to in or about April 2007, in the Eastern

District of Pennsylvania, and elsewhere, defendant

MITCHELL F. DEUTSCH

knowingly made and caused to be made to Republic false statements for the purpose of influencing the actions of Republic upon a loan issued to Kleen Rite on March 29, 2006 in the amount of \$650,000.00, in that defendant DEUTSCH, in the name of Kleen Rite, caused a false loan application to be submitted to Republic, in that he misrepresented his assets and the purchase of equipment to secure the loan through submission of the following documents:

- 1) A fraudulent personal financial statement alleging total assets of \$25,364,561 as of March 31, 2005.
- 2) A fraudulent and manufactured Schwab One Account statement for account number XXXX-9377 alleging a cash value of \$4,706,360.75 as of August 31, 2005.
- 3) A fraudulent and manufactured Schwab One Account statement for account number XXXX-9377 alleging a cash value of \$4,864,432.75 as of February 28, 2006.
- 4) A fraudulent and manufactured invoice showing the purchase of \$871,190.00 worth of car wash equipment.

All in violation of Title 18, United States Code, Sections 1014 and 2.

NOTICE OF FORFEITURE

THE GRAND JURY FURTHER CHARGES THAT:

1. As a result of the violations of Title 18, United States Code, Section 1014, set forth in this indictment, defendant

MITCHELL F. DEUTSCH

shall forfeit to the United States of America any property that constitutes, or is derived from, proceeds obtained directly or indirectly from the commission of such offense, including, but not limited to, the sum of \$13,792,000.00.

2. If any of the property subject to forfeiture, as a result of any act or omission of the defendant:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the 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 intent of the United States, pursuant to Title 28, United States Code, Section 2461(c),

incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant(s) up to the value of the property subject to forfeiture.

All pursuant to Title 18, United States Code, Section 982(a)(2).

A TRUE BILL:

FOREPERSON


ZANE DAVID MEMEGER
United States Attorney