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CLERK US DISTRICT COURT DISTRICT OF NEVADA	
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6
 7 **UNITED STATES DISTRICT COURT**
 8 **DISTRICT OF NEVADA**

9 -oOo-

10 UNITED STATES OF AMERICA,

11 Plaintiff,

12 vs.

13 LINDA MACK,
 TAI KEYSTER, also known as
 14 TAI MADEIRA, and
 DARYLL REESE,

15 Defendants.
16

Case No.: 2:13-cr-83-JCM-CWH

SUPERSEDING INDICTMENT

VIOLATIONS:

18 U.S.C. § 1349 – Conspiracy To Commit
 Bank Fraud, Mail Fraud, and Wire Fraud;
 18 U.S.C. § 1344 – Bank Fraud

17 **THE GRAND JURY CHARGES THAT:**

18 **INTRODUCTION**

19 At all times relevant to this Indictment:

20 1. Purchasers of homes typically finance their purchases by submitting loan
 21 applications to lenders to obtain mortgages. Loan applications require borrowers to truthfully
 22 disclose certain information for the lender to decide whether the borrower will be willing and
 23 able to repay the loan. This information includes, but is not limited to, such information as the
 24 borrower's income and whether the home to be purchased will be the borrower's primary

1 residence, secondary residence, or investment property. This information is material to the
2 decision of the lender to loan money to the borrower, the amount of any such loan, and the
3 terms of the loan, such as the interest rate the borrower will pay.

4 **COUNT ONE**
5 **Conspiracy To Commit Bank Fraud, Mail Fraud, and Wire Fraud**

6 2. From in or about January 2003, to in or about November 2006, in the State and
7 Federal District of Nevada,

8 **LINDA MACK,**
9 **TAI KEYSTER, also known as TAI MADEIRA, and**
10 **DARYLL REESE,**

11 defendants herein, did knowingly and willfully combine, conspire, and agree with each other
12 and with others known and unknown to the grand jury:

13 a. To devise a scheme and artifice to defraud and to obtain money and
14 property under the custody and control of federally insured financial institutions, by means of
15 materially false and fraudulent pretenses, representations and promises that would cause a bank
16 to part with money and property, in violation of Title 18, United States Code, Section 1344;

17 b. To use the United States Postal Service and commercial interstate carriers
18 to send and deliver mortgage loan applications and other supporting documentation, for
19 purposes of executing a scheme and artifice to defraud and for obtaining money and property by
20 means of materially false and fraudulent pretenses, representations, and promises, in violation
21 of Title 18, United States Code, Section 1341; and

22 c. To transmit and cause to be transmitted by means of wire
23 communications in interstate commerce, funds and documents, for purposes of executing a
24 scheme and artifice to defraud and for obtaining money and property by means of materially

1 false and fraudulent pretenses, representations, and promises, in violation of Title 18, United
2 States Code, Section 1343.

3 The Objectives of the Conspiracy and Scheme to Defraud

4 3. The objective of the conspiracy and scheme was to obtain mortgage loans from
5 lenders by causing materially false information to be placed in the buyers' mortgage loan
6 applications and supporting documentation. Through approximately 233 transactions,
7 defendants and their coconspirators obtained money and property from lenders by causing
8 money from the mortgage loans to be disbursed to their own use and benefit and the use and
9 benefit of their coconspirators. The total purchase price of the approximate 233 properties was
10 greater than \$83,000,000.

11 Manner and Means

12 4. The manner and means by which the objectives of the conspiracy were
13 accomplished include, but are not limited to, the following:

14 a. Defendants' coconspirators solicited persons with good credit ratings to
15 purchase real estate. In some instances, defendants and their coconspirators caused buyers to
16 purchase multiple houses at or about the same time. By purchasing multiple houses in a short
17 period of time, the earlier purchases would not show up on a buyer's credit report and lenders
18 would not be aware of the other purchases. Defendants and their coconspirators knowingly and
19 intentionally concealed buyers' earlier purchases from lenders, when defendants then and there
20 well knew that the earlier purchases were material to the lenders' lending decisions.

21 b. Defendants and their coconspirators made offers to purchase properties
22 above the sellers' asking prices.

23 c. Defendants and their coconspirators caused the sellers to agree that part
24 of the excess funds be redirected to the buyers under the pretense of making upgrades and

1 repairs to the properties. Defendants knowingly and intentionally concealed from lenders the
2 identities of the recipients of these disbursements and the true purpose of the disbursements,
3 when defendants then and there well knew that the representations made to lenders were false
4 and fraudulent.

5 d. Defendants and their coconspirators caused buyers to apply for mortgage
6 loans from lenders to purchase properties. Through these transactions, defendants and their
7 coconspirators obtained money from lenders by causing money from the mortgage loans to be
8 paid to defendants and their coconspirators in the form of commissions and fees.

9 e. Defendants and their coconspirators caused buyers' loan applications and
10 supporting documentation to contain materially false and fraudulent representations about
11 buyers' qualifications, including but not limited to one or more of the following: the buyers'
12 income and intended occupancy status, when defendants then and there well knew that the
13 representations were false and fraudulent.

14 f. Defendants caused lenders and escrow companies to transmit money and
15 documents by means of U.S. mail, interstate commercial carriers, and interstate wire
16 communications to complete the transactions.

17 g. Defendants and their coconspirators defaulted on the mortgage loans
18 which caused the properties to go into foreclosure. Defendants thereby caused losses to lenders
19 greater than thirty million dollars (\$30,000,000).

20 h. Some of the lenders were federally insured financial institutions.

21 i. Defendants' conspiracy to violate Title 18, United States Code, Sections
22 1341 and 1343 affected at least one federally insured financial institution.

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

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COUNTS TWO THROUGH EIGHT

Bank Fraud

5. The allegations set forth in paragraphs 1 through 4 of this Superseding Indictment are re-alleged and incorporated herein as if set forth in full.

6. From in or about January 2003, to in or about November 2006, in the State and Federal District of Nevada,

**LINDA MACK,
TAI KEYSTER, also known as TAI MADEIRA, and
DARYLL REESE,**

defendants herein, did devise and intend to devise a scheme and artifice to defraud federally insured financial institutions and to obtain moneys, funds, credits, assets, securities, and other property owned by and under the custody and control of a financial institution by means of false and fraudulent pretenses, representations, and promises.

14. On or about the dates identified below, in the State and Federal District of Nevada, for the purpose of executing and attempting to execute the scheme to defraud and to obtain money and property, defendants did knowingly cause to be submitted to the federally insured financial institutions identified below, loan applications and supporting documents containing materially false and fraudulent pretenses, representations and promises in order to cause the federally insured financial institutions to loan money to fund the purchase of the properties identified below, with the submission of each loan application and supporting documents constituting a separate violation of Title 18, United States Code, Section 1344:

<u>Count</u>	<u>Defendants</u>	<u>Dates</u>	<u>Property</u>	<u>Financial Institution</u>
2	Linda Mack	5/10/04 to 6/2/04	355 Pure April Ave. Las Vegas, Nevada	Fremont Investment and Loan
3	Linda Mack Daryll Reese	11/17/04 to 12/15/04	7800 License St. Las Vegas, Nevada	Pacific Mercantile Bank

	<u>Count</u>	<u>Defendants</u>	<u>Dates</u>	<u>Property</u>	<u>Financial Institution</u>
1					
2	4	Linda Mack Daryll Reese	11/18/04 to 12/22/04	11131 Tuscolana St. Las Vegas, Nevada	Pacific Mercantile Bank
3					
4	5	Linda Mack Tai Keyster Daryll Reese	11/24/04 to 12/23/04	8801 Square Knot Ave. Las Vegas, Nevada	Pacific Mercantile Bank
5					
6	6	Linda Mack Daryll Reese	3/8/05 to 4/6/05	7224 Rustic Meadow St. Las Vegas, Nevada	Fremont Investment and Loan
7	7	Linda Mack Daryll Reese	3/8/05 to 4/2/05	5600 Windy Gorge St. Las Vegas, Nevada	Pacific Mercantile Bank
8					
9	8	Linda Mack	5/5/05 to 6/3/05	9221 Steel Tree St. Las Vegas, Nevada	Fremont Investment and Loan
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1 **FORFEITURE ALLEGATION ONE**

2 **Bank Fraud and Conspiracy To Commit Mail Fraud, Wire Fraud, and Bank Fraud**

3 1. The allegations of Counts One through Eight of this Superseding Indictment are
4 hereby realleged and incorporated herein by reference for the purpose of alleging forfeiture
5 pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code,
6 Section 2461(c).

7 2. Upon conviction of any felony offense charged in Counts One through Eight of
8 this Superseding Indictment,

9 **LINDA MACK,**
10 **TAI KEYSTER, also known as TAI MADEIRA, and**
11 **DARYLL REESE,**

12 defendants herein, shall forfeit to the United States of America, any property, real or personal,
13 which constitutes or is derived from proceeds traceable to violations of Title 18, United States
14 Code, Sections 1341, 1343, and 1344, specified unlawful activities as defined in Title 18,
15 United States Code, Sections 1956(c)(7)(A) and 1961(1)(B), or Title 18, United States Code,
16 Section 1349, conspiracy to commit such offenses, an *in personam* criminal forfeiture money
17 judgment of \$83,548,232 in United States Currency.

18 3. If any property being subject to forfeiture pursuant to Title 18, United States
19 Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), as a result of any
20 act or omission of the defendants –

- 21 a. cannot be located upon the exercise of due diligence;
- 22 b. has been transferred or sold to, or deposited with, a third party;
- 23 c. has been placed beyond the jurisdiction of the court;
- 24 d. has been substantially diminished in value; or

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1 e. has been commingled with other property which cannot be divided without
2 difficulty;

3 it is the intent of the United States of America, pursuant to Title 21, United States Code, Section
4 853(p), to seek forfeiture of any properties of the defendants for the *in personam* criminal
5 forfeiture money judgment of \$83,548,232 in United States Currency.

6 All pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United
7 States Code, Section 2461(c); Title 18, United States Code, Sections 1341, 1343, 1344, and
8 1349; and Title 21, United States Code, Section 853(p).

9 **FORFEITURE ALLEGATION TWO**
10 **Bank Fraud and Conspiracy To Commit Mail Fraud, Wire Fraud, and Bank Fraud**

11 1. The allegations of Counts One through Eight of this Superseding Indictment are
12 hereby realleged and incorporated herein by reference for the purpose of alleging forfeiture
13 pursuant to Title 18, United States Code, Section 982(a)(2)(A).

14 2. Upon conviction of any felony offense charged in Counts One through Eight of
15 this Superseding Indictment,

16 **LINDA MACK,**
17 **TAI KEYSTER, also known as TAI MADEIRA, and**
18 **DARYLL REESE,**

19 defendants herein, shall forfeit to the United States of America, any property constituting, or
20 derived from, proceeds obtained directly or indirectly, as the result of violations of Title 18,
21 United States Code, Sections 1341, 1343, and 1344, or Title 18, United States Code, Section
22 1349, conspiracy to violate such offenses, an *in personam* criminal forfeiture money judgment
of \$83,548,232 in United States Currency.

23 3. If any property being subject to forfeiture pursuant to Title 18, United States
24 Code, Section 982(a)(2)(A), as a result of any act or omission of the defendants –

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

7 it is the intent of the United States of America, pursuant to Title 21, United States Code, Section
8 853(p), to seek forfeiture of any properties of the defendants for the *in personam* criminal
9 forfeiture money judgment of \$83,548,232 in United States Currency.

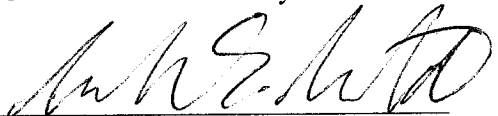
10 All pursuant to Title 18, United States Code, Sections 982(a)(2)(A), 1341, 1343, 1344,
11 and 1349 and Title 21, United States Code, Section 853(p).

12 DATED: this 25th day of June, 2014.

13 A TRUE BILL:

14 /S/
15 FOREPERSON OF THE GRAND JURY

16 DANIEL G. BOGDEN
17 United States Attorney

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19 SARAH E. GRISWOLD
Assistant United States Attorney

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