

FILED

2011 DEC -9 AM 11:23

CLERK, U.S. DISTRICT COURT  
CENTRAL DIST. OF CALIF.  
LOS ANGELES

BY \_\_\_\_\_

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18

UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA

CR 11 01170

UNITED STATES OF AMERICA, )  
 )  
Plaintiff, )  
 )  
v. )  
 )  
FREDERIC ALAN GLADLE, )  
 )  
aka "Jake Menefee," )  
 )  
aka "Larry Stauffer," )  
 )  
aka "Walter Fred Boyd," )  
 )  
aka "Jack Heller," )  
 )  
aka "Kevin Dorsey," )  
 )  
Defendant. )

I N F O R M A T I O N

[18 U.S.C. § 157(3):  
Bankruptcy Fraud; 18 U.S.C.  
§ 2: Aiding and Abetting and  
Causing an Act to be Done; 18  
U.S.C. § 1028A: Aggravated  
Identity Theft]

The United States Attorney charges:

COUNT ONE

[18 U.S.C. §§ 157(3), 2]

A. INTRODUCTORY ALLEGATIONS

At all times relevant to this Information:

1. Defendant FREDERIC ALAN GLADLE, also known as "Jake Menefee," "Larry Stauffer," "Walter Fred Boyd," "Jack Heller," and "Kevin Dorsey" ("defendant GLADLE"), was a resident of Austin, Texas, who operated a foreclosure-delay scheme in Los Angeles and San Bernardino Counties, within the Central District

EJD:ejd

1 of California, among other locations. In perpetrating the  
2 scheme, defendant GLADLE did not use his true name and instead  
3 used the following aliases: Jake Menefee, Larry Stauffer, Walter  
4 Fred Boyd, Jack Heller, and Kevin Dorsey.

5 2. A bankruptcy case is typically commenced with the  
6 filing of a petition for bankruptcy. A person seeking relief  
7 from debts, referred to as the "debtor," can file a "voluntary  
8 petition" for bankruptcy.

9 3. The filing of a bankruptcy petition triggers what is  
10 known as an "automatic stay" against the debtor's creditors, who  
11 would be immediately forbidden from taking any action on claims  
12 they might have against the debtor or any property owned by the  
13 debtor when the bankruptcy case was commenced, including  
14 foreclosure and eviction actions, unless permission of the  
15 bankruptcy court is first obtained.

16 B. THE SCHEME TO DEFRAUD

17 4. Beginning in or about October 2007, and continuing to  
18 on or about October 19, 2011, in Los Angeles and San Bernardino  
19 Counties, within the Central District of California, and  
20 elsewhere, defendant GLADLE, together with others known and  
21 unknown to the United States Attorney, knowingly and with intent  
22 to defraud, devised, participated in, and executed a scheme to  
23 defraud lenders, some of whom, such as Wells Fargo Bank, were  
24 recipients of funds under the Troubled Asset Relief Program, who  
25 were attempting to foreclose on real properties through trustee  
26 sales, by means of making fraudulent representations, claims, and  
27 promises concerning and in relation to a proceeding under  
28 Title 11 of the United States Code.

1           5.    The purpose of the fraudulent scheme was to hinder,  
2 delay, and obstruct lenders' lawful foreclosure and eviction  
3 actions against property owners who had defaulted on their  
4 mortgages.

5           6.    The fraudulent scheme operated, in substance, as  
6 follows:

7           a.    Defendant GLADLE distributed and caused to be  
8 distributed advertisements to solicit distressed homeowner  
9 clients who were interested in delaying the foreclosure of their  
10 homes.

11           b.    In addition, defendant GLADLE obtained clients  
12 through referrals from existing clients and from salespersons  
13 hired by defendant GLADLE.

14           c.    Through these advertisements and salespersons,  
15 defendant GLADLE told potential clients whose properties were  
16 being foreclosed upon (the "distressed properties") that, in  
17 exchange for a monthly fee, defendant GLADLE would assist in  
18 postponing the foreclosure for at least six months. The clients  
19 generally were not told that the postponement would be achieved  
20 through defendant GLADLE's use of bankruptcy petitions filed by  
21 debtors who were unaware of defendant GLADLE's use of their names  
22 and bankruptcy petitions.

23           d.    After a client had signed up and paid the required  
24 fee, the salespersons, operating at defendant GLADLE's direction,  
25 would obtain a client's notarized signature on a deed  
26 transferring a fractional share, generally 1/100th interest, of  
27 their distressed property (the "fractional deed") to a debtor  
28 whose name defendant GLADLE had obtained by accessing an

1 electronic bankruptcy court docketing system called PACER.

2 e. Defendant GLADLE would direct the client and the  
3 salesperson to record the deed transferring the fractional  
4 interest to the debtor, and to send the recorded deed to  
5 defendant GLADLE by facsimile.

6 f. Defendant GLADLE would download the debtor's  
7 bankruptcy petition from PACER.

8 g. After obtaining the bankruptcy petition and the  
9 recorded fractional deed, defendant GLADLE or a co-schemer  
10 operating at his direction would fax a copy of the recorded  
11 fractional deed and the bankruptcy petition, both of which listed  
12 the same debtor's name, to the client's lender or the lender's  
13 representative, thereby notifying the lender of the automatic  
14 stay in order to stop the foreclosure sale.

15 h. Upon receiving the facsimile from defendant GLADLE  
16 containing the recorded fractional deed and bankruptcy petition,  
17 some lenders would file a motion for relief from stay in the  
18 debtor's bankruptcy case. Generally, in response to the motion,  
19 the debtor would disclaim any knowledge of owning the fractional  
20 interest in the distressed property, and the bankruptcy court  
21 would grant the motion and permit the foreclosure on the  
22 distressed property to continue.

23 i. Once another foreclosure sale was scheduled,  
24 defendant GLADLE would cause the client to sign another deed  
25 transferring another fractional share of the distressed property  
26 to a different debtor, print out the debtor's bankruptcy petition  
27 from PACER, and send both documents to the lender or the lender's  
28 representative.

1           j. Defendant GLADLE would repeat this course of  
2 action, thereby repeatedly delaying the sale of the subject  
3 properties, for as long as the client paid the monthly fee. In  
4 this way, defendant GLADLE was able to delay the foreclosure for  
5 years on some properties.

6           k. If a client requested that defendant GLADLE  
7 reverse the fractional deed transfers and paid a fee to defendant  
8 GLADLE, then defendant GLADLE would prepare pre-notarized  
9 reconveyance documents showing that the debtors were transferring  
10 their fractional interests to the client, forge the signatures of  
11 the debtors, and send the reconveyance documents to the client.

12          7. As part of the above-described fraudulent scheme, from  
13 on or about December 1, 2007, through on or about October 19,  
14 2011, defendant GLADLE and his co-schemers delayed the  
15 foreclosure sales of approximately 1,128 distressed properties.  
16 During that same period, defendant GLADLE collected at least  
17 \$1,600,000 from clients in monthly fees paid for his illegal  
18 foreclosure-delay services.

19 //

20 //

21 //

22 //

23 //

24 //

25 //

26 //

27 //

28 //

1 C. EXECUTION OF THE SCHEME TO DEFRAUD

2 8. On or about June 15, 2009, within the Central District  
3 of California, and elsewhere, for the purpose of executing and  
4 attempting to execute the above-described scheme, defendant  
5 GLADLE, using the alias "Kevin Dorsey," sent and caused to be  
6 sent a facsimile from Austin, Texas, to California Reconveyance  
7 in Chatsworth, California, containing a grant deed from M.A.G.  
8 and L.A. to S.C., along with a bankruptcy petition bearing case  
9 number 09-21169-AJC in the name of S.C., filed in the United  
10 States Bankruptcy Court for the Southern District of Florida,  
11 with the intent to defraud a lender.

12 //

13 //

14 //

15 //

16 //

17 //

18 //

19 //

20 //

21 //

22 //

23 //

24 //

25 //

26 //

27 //

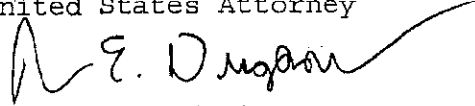
28 //

COUNT TWO

[18 U.S.C. § 1028A]

1  
2  
3 9. On or about October 19, 2011, in Travis County, within  
4 the Western District of Texas, defendant FREDERIC ALAN GLADLE,  
5 also known as "Jake Menefee," "Larry Stauffer," "Walter Fred  
6 Boyd," "Jack Heller," and "Kevin Dorsey," knowingly transferred,  
7 possessed, and used, without lawful authority, a means of  
8 identification of another person, that is, a social security  
9 number issued to J.M., during and in relation to using  
10 unauthorized access devices to obtain a thing of value totaling  
11 at least \$1,000, a felony violation of Title 18, United States  
12 Code, Section 1029(a)(2).  
13  
14

15 ANDRÉ BIROTTE JR.  
United States Attorney

16   
17 ROBERT E. DUGDALE  
18 Assistant United States Attorney  
Chief, Criminal Division

19 BEONG-SOO KIM  
20 Assistant United States Attorney  
Chief, Major Frauds Section

21 EVAN J. DAVIS  
22 Assistant United States Attorney  
Major Frauds Section

23 PAUL ROSEN  
24 Trial Attorney  
25 Fraud Section, Criminal Division  
United States Department of Justice  
26  
27  
28