

FILED IN OPEN COURT
DATE 10-13-17
BY [Signature]
DEPUTY CLERK

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF VIRGINIA
HARRISONBURG DIVISION, W.D. of VA
HARRISONBURG DIVISION

UNITED STATES OF AMERICA

v.

MICHAEL DEAN KENT
a/k/a MICHAEL DEAN,
a/k/a MICHAEL SCOTT

Criminal No. 5:17cr 00021

In violation of:
18 U.S.C. § 1349

INFORMATION

The United States Department of Justice, Criminal Division, Fraud Section and the Acting United States Attorney for the Western District of Virginia charge that at all times material to this Information, unless otherwise specified:

BACKGROUND

1. MICHAEL DEAN KENT was a resident of Frederick County, Virginia from in or around 2014 through in or around 2016.
2. From in or around June 2014 through at least in or around October 2016, MICHAEL DEAN KENT operated The Holiday Property Group LLC (“HPG”), a company purportedly involved in facilitating the purchase and sale of timeshare properties. MICHAEL DEAN KENT operated HPG primarily from a residence in Frederick County, Virginia.
3. From in or around October 2016 through at least in or around July 2017, MICHAEL DEAN KENT operated Vacation Properties by Owner LLC (“VPO”), a company purportedly involved in facilitating the purchase and sale of timeshare properties. MICHAEL DEAN KENT operated VPO primarily from a residence in Franklin County, North Carolina.
4. HPG and VPO operated in substantially the same manner.

5. Timeshares are typically a type of fractional interest in real estate in which the owner has the right to occupy particular premises for a specified period of time.

CONSPIRACY TO COMMIT WIRE FRAUD
(18 U.S.C. § 1349)

6. From at least in or around June 2014 through in or around July 2017, in Frederick County, in the Western District of Virginia and elsewhere, defendant

MICHAEL DEAN KENT,
a/k/a Michael Dean,
a/k/a Michael Scott

along with others known and unknown, knowingly, intentionally, and willfully conspired to commit wire fraud, that is, knowingly, willfully, and with the intent to defraud, having devised and intending to devise a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, knowing such pretenses, representations, and promises were false and fraudulent when made, transmit and cause to be transmitted, by means of wire, radio, and television communication, writings, signals, pictures, and sounds in interstates and foreign commerce for the purposes of executing such scheme and artifice, in violation of Title 18, United States Code, Section 1343.

Purpose of the Conspiracy

7. It was the purpose of the conspiracy for the defendant and his coconspirators to obtain money and enrich themselves by making false representations and promises to timeshare sellers, all in order to induce the timeshare sellers to pay fees for fake timeshare sales that they would not otherwise have made.

Manner and Means of the Conspiracy

8. It was part of the conspiracy that from at least in or around June 2014 through at least in or around July 2017, MICHAEL DEAN KENT and his coconspirators, by making false representations and promises, induced hundreds of victim timeshare sellers (“Victims”) to send payments to HPG or VPO.

9. It was further part of the conspiracy that after Victims listed their timeshare properties for sale publicly, typically online, MICHAEL DEAN KENT and his coconspirators contacted the Victims through unsolicited phone calls or emails. In communications with Victims, MICHAEL DEAN KENT represented that HPG or VPO had a buyer for the Victims’ timeshares, often at or near the Victims’ asking price.

10. MICHAEL DEAN KENT and his coconspirators placed the Victims in contact with other coconspirators posing as “buyers” by using false names, addresses, phone numbers, and email addresses. The “buyers” communicated, separately from HPG or VPO, directly with the Victims through phone calls and emails to express their interest in buying the Victims’ timeshares. These “buyers” used the same false identifying information and contact information in multiple “sales” with different Victims at any one time.

11. It was part of the conspiracy that after confirming that the Victim was interested in proceeding with the sale, MICHAEL DEAN KENT and his coconspirators typically sent the Victim a contract to sign and explained that the Victim had to provide an upfront payment to cover a portion of the costs or fees needed for closing. MICHAEL DEAN KENT and his coconspirators represented to Victims that their payments would be held in escrow, that the payment would only be disbursed upon the completion of the timeshare sale, and that the

Victims could receive a full refund of their payment prior to closing, among other representations.

12. The payments typically ranged from approximately \$500 to \$1500 and were usually made to HPG or VPO by check or money order. In total, MICHAEL DEAN KENT and his coconspirators acquired hundreds of thousands of dollars from hundreds of Victims across dozens of states.

13. It was part of the conspiracy that after receiving the contracts from HPG or VPO, Victims usually returned the executed contracts through a commonly used, internet-based electronic signature program, by email, or by mail. These contracts purportedly memorialized an agreement between the Victim and HPG for the sale of the Victim's timeshare. Although the exact language in the contract provisions varied in places between versions of the contracts, many of the contracts indicated that the Victims' "deposit" payment was for various title and transfer fees "[s]ubject to adjustment at closing." Many of the contracts also indicated that the "deposit" payments would be placed in "an escrow account until the [Victim has] received the proceeds of the sale and are re-fundable [sic] at any time."

14. It was further part of the conspiracy that MICHAEL DEAN KENT and his coconspirators induced some Victims to make a second payment to HPG or VPO by either (1) indicating that the "buyer" of their timeshare needed assistance from the Victims posting funds for closing; or (2) indicating that the first "buyer" had fallen through, but a second "buyer" had been found and was ready to close on the sale once the additional payment was provided. In both instances, MICHAEL DEAN KENT and his coconspirators told the Victims that the second payment would also be kept in escrow and would also be offset against the sale price at closing.

15. Eventually, after multiple delays, all communication from MICHAEL DEAN KENT and his coconspirators with the Victims typically ceased. Often times, Victims unsuccessfully attempted to contact MICHAEL DEAN KENT and his coconspirators by email and by phone, to demand a refund of their payment(s). Starting in or around October 2016, at the same time MICHAEL DEAN KENT and his coconspirators were starting VPO, emails and phone calls to HPG phone numbers were rejected by the service providers.

16. Ultimately, the timeshares were not sold and hundreds of Victims never received refunds.

Materially False and Misleading Statements

17. In furtherance of the conspiracy, MICHAEL DEAN KENT and his coconspirators made numerous materially false and misleading statements to Victims concerning HPG's and VPO's services and the use of Victims' payments, including, but not limited to, that: (1) HPG or VPO had a legitimate buyer for their timeshare, (2) the Victims' payments would be held in escrow for closing costs, (3) the payments would only be disbursed at the time of the timeshare sale closing, and (4) the Victims could receive a full refund of their payment if no sale occurred or, if they requested it, prior to closing. Without these false representations, Victims would not have made payments to HPG or VPO.

18. Contrary to the representations made to Victims by KENT and his coconspirators, there were no legitimate buyers for the timeshares, the Victims' payments were not held in escrow, and the Victims were not given refunds when the timeshare sales did not occur.

Misappropriation of Victim Payments

19. It was further part of the conspiracy that instead of holding Victim payments in escrow, using them for closing fees, and refunding them in the event no sale occurred,

MICHAEL DEAN KENT used the money for other purposes. Specifically, the HPG and VPO bank accounts were linked to MICHAEL DEAN KENT's personal bank account and the majority of HPG and VPO funds obtained from the Victims were transferred to MICHAEL DEAN KENT's personal account, where they were spent, and as payments to MICHAEL DEAN KENT's coconspirators.

20. Furthermore, during the scheme, MICHAEL DEAN KENT used the majority of the payments received from Victims for personal expenses, including rent payments, meals, alcohol, and retail purchases.

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

NOTICE OF INTENT TO SEEK CRIMINAL FORFEITURE

21. Upon conviction of any violation of Title 18, United States Code, Section 1349 as alleged in this Information, defendant, MICHAEL DEAN KENT, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any property, real or personal, that constitutes, or is derived from, proceeds traceable to the commission of the offenses.

22. If any of the property described above, as a result of any act or omission of the defendants:

- 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 that cannot be divided without difficulty,

the United States of America shall be entitled to forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1) and Title 28, United States Code, Section 2461(c). All pursuant to Title 18, United States Code, Section 981(a)(1)(C), Title 28, United States Code, Section 2461(c), and Rule 32.2(a) of the Federal Rules of Criminal Procedure.

Date: October 13, 2017


FOR RICK A. MOUNTCASTLE
ACTING UNITED STATES ATTORNEY