

United States District Court

FOR THE
NORTHERN DISTRICT OF CALIFORNIA

VENUE: San Francisco

FILED
OCT 31 10:16
FBI

UNITED STATES OF AMERICA,

v.

DIANNE COBB, and
PAUL SLOANE DAVIS,



CR 13 720

CRB

DEFENDANT.

INDICTMENT

VIOLATIONS: 18 U.S.C. § 1349 – Conspiracy; 18 U.S.C. § 1341 – Mail Fraud;
18 U.S.C. § 1343 – Wire Fraud; 18 U.S.C. § 2 – Aiding and Abetting;
18 U.S.C. § 1028A(a)(1) – Aggravated Identity Theft; 18 U.S.C. § 981(A)(1)(C),
28 U.S.C. § 2461(C) – Forfeiture

A true bill.

Nancy J. Peterson
Foreman

Filed in open court this 31st day of
October 2013
Karen L. P.
Clerk

JOSEPH C. SPERO
~~UNITED STATES MAGISTRATE JUDGE~~
Bail, \$ no bail arrest warrant



12

AO 257 (Rev. 6/78)

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: COMPLAINT INFORMATION INDICTMENT
 SUPERSEDING

OFFENSE CHARGED

18 U.S.C. § 1349 - Conspiracy; 18 U.S.C. § 1341 - Mail Fraud
18 U.S.C. § 1343 - Wire Fraud; 18 U.S.C. § 2 - Aiding and Abetting; 18 U.S.C. § 1028A(a)(1) - Aggravated Identity Theft; 18 U.S.C. § 981(A)(1)(C); 28 U.S.C. § 2252 - Forfeiture

- Petty
- Minor
- Misdemeanor
- Felony

PENALTY: Counts 1 thru 14: 20 years' imprisonment; fine greater of \$250,000 or 2x gross gain/loss; 3 years supervised release; \$100 S/A; Counts 15 thru 20: 2 years' imprisonment, consecutive to the sentence for the underlying offense, \$100 special assessment

Name of District Court, and/or Judge/Magistrate Location

NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

DEFENDANT - U.S.

DIANNE COBB

DISTRICT COURT NUMBER

CR 13 720

PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)

FEDERAL BUREAU OF INVESTIGATION

person is awaiting trial in another Federal or State Court, give name of court

this person/proceeding is transferred from another district per (circle one) FRCrp 20, 21, or 40. Show District

this is a re prosecution of charges previously dismissed which were dismissed on motion of:

U.S. ATTORNEY DEFENSE

SHOW DOCKET NO.

this prosecution relates to a pending case involving this same defendant

MAGISTRATE CASE NO.

prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under

Name and Office of Person Furnishing Information on this form MELINDA HAAG

U.S. Attorney Other U.S. Agency

Name of Assistant U.S. Attorney (if assigned) THOMAS E. STEVENS, AUSA

DEFENDANT

IS NOT IN CUSTODY

- 1) Has not been arrested, pending outcome this proceeding. If not detained give date any prior summons was served on above charges
- 2) Is a Fugitive
- 3) Is on Bail or Release from (show District)

IS IN CUSTODY

- 4) On this charge
- 5) On another conviction } Federal State
- 6) Awaiting trial on other charges
If answer to (6) is "Yes", show name of institution

Has detainer been filed? Yes No

If "Yes" give date filed

DATE OF ARREST

Month/Day/Year

Or... if Arresting Agency & Warrant were not

DATE TRANSFERRED TO U.S. CUSTODY

Month/Day/Year

This report amends AO 257 previously submitted

ADDITIONAL INFORMATION OR COMMENTS

PROCESS:

SUMMONS NO PROCESS* WARRANT

Bail Amount: NBW

If Summons, complete following:

Arraignment Initial Appearance

* Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment

Defendant Address:

Date/Time: _____ Before Judge: _____

Comments:

AO 257 (Rev. 6/78)

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: COMPLAINT INFORMATION INDICTMENT
 SUPERSEDING

Name of District Court, and/or Judge/Magistrate Location
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

OFFENSE CHARGED
18 U.S.C. § 1349 - Conspiracy; 18 U.S.C. § 1341 - Mail Fraud; Petty
18 U.S.C. § 1343 - Wire Fraud; 18 U.S.C. § 2 - Aiding and Abetting; 18 U.S.C. § 981(A)(1)(C), 28 U.S.C. § 2461(C) - Forfeiture Minor
 Misdemeanor
 Felony
PENALTY: Counts 1 thru 14; 20 years' imprisonment; fine greater of \$250,000 or 2x gross gain/loss; 3 years supervised release; \$100 special assessment

DEFENDANT - U.S.
▶ **PAUL SLOANE DAVIS**
DISTRICT COURT NUMBER
CR 13 720

PROCEEDING
Name of Complainant Agency, or Person (& Title, if any)
FEDERAL BUREAU OF INVESTIGATION
 person is awaiting trial in another Federal or State Court, give name of court
 this person/proceeding is transferred from another district per (circle one) FRCrp 20, 21, or 40. Show District
 this is a re prosecution of charges previously dismissed which were dismissed on motion of:
 U.S. ATTORNEY DEFENSE } **SHOW DOCKET NO.**
 this prosecution relates to a pending case involving this same defendant } **MAGISTRATE CASE NO.**
 prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under }

DEFENDANT CRB
IS NOT IN CUSTODY
Has not been arrested, pending outcome this proceeding.
1) If not detained give date any prior summons was served on above charges
2) Is a Fugitive
3) Is on Bail or Release from (show District)
IS IN CUSTODY
4) On this charge
5) On another conviction } Federal State
6) Awaiting trial on other charges
If answer to (6) is "Yes", show name of institution
Has detainer been filed? Yes } If "Yes" give date filed
 No }
DATE OF ARREST ▶ **Month/Day/Year**
Or... if Arresting Agency & Warrant were not
DATE TRANSFERRED TO U.S. CUSTODY ▶ **Month/Day/Year**

Name and Office of Person Furnishing Information on this form **MELINDA HAAG**
 U.S. Attorney Other U.S. Agency

Name of Assistant U.S. Attorney (if assigned) **THOMAS E. STEVENS, AUSA**

This report amends AO 257 previously submitted

ADDITIONAL INFORMATION OR COMMENTS

PROCESS:
 SUMMONS NO PROCESS* WARRANT
If Summons, complete following:
 Arraignment Initial Appearance
Defendant Address:

Comments:

Bail Amount: NBW
* Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment
Date/Time: _____ Before Judge: _____

1 MELINDA HAAG (CABN 132612)
United States Attorney

2
3
4
5
6
7
8 UNITED STATES DISTRICT COURT
9 NORTHERN DISTRICT OF CALIFORNIA
10 SAN FRANCISCO DIVISION

11 UNITED STATES OF AMERICA,) Case No.
12 Plaintiff,)
13 v.) VIOLATIONS: 18 U.S.C. § 1349 – Conspiracy;
14 DIANNE COBB, and) 18 U.S.C. § 1341 – Mail Fraud; 18 U.S.C. § 1343 –
PAUL SLOANE DAVIS,) Wire Fraud; 18 U.S.C. § 2 – Aiding and Abetting;
15 Defendants.) 18 U.S.C. § 1028A(a)(1) – Aggravated Identity
16) Theft; 18 U.S.C. § 981(A)(1)(C), 28 U.S.C. § 2461(C)
) – Forfeiture
)
)
) SAN FRANCISCO VENUE

17
18 INDICTMENT

19 The Grand Jury charges:

20 Introduction

21 1. Defendant DIANE COBB (“COBB”) resided in the Northern District of California and in
22 Las Vegas, Nevada. COBB owned and controlled a lending and financial services company known as
23 DM Financial, located in Marin County, California. COBB was, at various times and in various
24 jurisdictions, a licensed mortgage loan originator.

25 2. Defendant PAUL SLOANE DAVIS (“DAVIS”) resided in the Northern District of
26 California and in Las Vegas, Nevada. DAVIS held himself out to investors as COBB’s business partner,
27 and a manager of DM Financial. DAVIS assisted COBB in the operation of DM Financial.

28 INDICTMENT

1 identities on bridge loan documents, and who did not authorize COBB or DAVIS to use their identities
2 in that manner.

3 8. As a further part of the scheme to defraud, COBB and DAVIS caused the investors to use
4 the mail and interstate wires to send funds to DM Financial for purported bridge loan investments, but
5 diverted the investors' money to unauthorized uses including, but not limited to, payments for the
6 personal benefit of COBB and DAVIS, such as rent, restaurants, travel, and cash withdrawals at casinos.

7 9. As a further part of the scheme to defraud, COBB made periodic "interest payments" to
8 investors to lull them into believing that their money had actually been invested in bridge loans and that
9 the borrowers were performing their purported obligations to pay interest.

10 COUNT ONE: (18 U.S.C. § 1349 – Conspiracy to Commit Mail and Wire Fraud)

11 10. Paragraphs 1 through 9 are realleged and incorporated as if fully set forth here.

12 11. From in or about 2009 to approximately December 2012, in the Northern District of
13 California and elsewhere, the defendants,

14 DIANE COBB and
15 PAUL SLOANE DAVIS,

16 did conspire to commit offenses against the United States, namely, mail fraud, in violation of 18 U.S.C.
17 Section 1341, and wire fraud, in violation of 18 U.S.C. Section 1343.

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

19 COUNTS TWO THROUGH FIVE: (18 U.S.C. §§ 1341 and 2 – Mail Fraud and Aiding and Abetting)

20 12. Paragraphs 1 through 9 are realleged and incorporated as if fully set forth here.

21 13. On or about the dates set forth below, in the Northern District of California and
22 elsewhere, the defendants,

23 DIANE COBB and
24 PAUL SLOANE DAVIS,

25 for the purpose of executing a material scheme and artifice to defraud, and to obtain money and property
26 by means of materially false and fraudulent pretenses, representations, and promises, and by omission
27 and concealment of material facts, did knowingly cause the mail matter listed below to be deposited,
28 sent, and delivered by the United States Postal Service and interstate carrier:

Count	Approximate Mailing Date	Description
2	February 9, 2011	\$57,000 check from ST to DM Financial for purported loan to MF
3	March 11, 2011	\$43,800 check from ST to DM Financial for purported loan to TD
4	June 28, 2011	\$52,000 check from SB to DM Financial for purported loan to JP
5	May 30, 2012	\$51,000 check from ST to COBB for purported loan to CC

All in violation of Title 18, United States Code, Sections 1341 and 2.

COUNTS SIX THROUGH FOURTEEN: (18 U.S.C. §§ 1343 and 2 – Wire Fraud and Aiding and Abetting)

14. Paragraphs 1 through 9 are realleged as if fully set forth herein.

15. On or about the dates set forth below, in the Northern District of California and elsewhere, the defendants,

DIANE COBB and
PAUL SLOANE DAVIS,

having devised and intending to devise a material scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, transmitted and caused to be transmitted by means of wire, radio, and television communication in interstate commerce certain writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, as set forth below:

Count	Approximate Wire Date	Amount	Description
6	February 11, 2009	\$37,000	interstate wire from JP to DM Financial for purported loan to JF
7	June 8, 2009	\$91,000	interstate wire from JP to DM Financial for purported loan to JC and DW
8	August 27, 2009	\$32,500	interstate wire from RA to DM Financial for purported loan to unnamed borrower
9	March 24, 2010	\$43,000	interstate wire from AC to DM Financial for purported loan to NM
10	March 26, 2010	\$45,000	interstate wire from AC to DM Financial for purported loan to DW
11	November 12, 2010	\$40,000	interstate wire from PN to DM Financial for purported loan to unknown borrower

Count	Approximate Wire Date	Amount	Description
12	September 20, 2011	\$20,000	interstate wire from ES and KS to DM Financial for purported loan to MA
13	October 5, 2011	\$27,000	interstate wire from LL to DM Financial for purported loan to MA
14	February 8, 2012	\$61,000	interstate wire from LL to DM Financial for purported loan to AN

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

COUNTS FIFTEEN THROUGH TWENTY: (18 U.S.C. §§ 1028A(a)(1) – Aggravated Identity Theft)

16. Paragraphs 1 through 15 are realleged as if fully set forth herein.

17. On or about the dates set forth below, in the Northern District of California and elsewhere, defendant DIANE COBB, during and in relation to violations of 18 U.S.C. §§ 1341 and 1343, as set forth in Counts Four, Six, Nine, Twelve, Thirteen, and Fourteen, did knowingly possess and use, without lawful authority, a means of identification of another person, knowing that the means of identification belonged to another person, as set forth below:

Count	Approximate Date	Description
15	February 13, 2009	Promissory note and trust deed reflecting name of purported borrower JF (Count Six)
16	March 31, 2010	Promissory note and trust deed reflecting name of purported borrower NM (Count Nine)
17	June 27, 2011	Email reflecting name of purported borrower JP and describing bridge loan investment (Count Four)
18	September 27, 2011	Promissory note and trust deed reflecting name of purported borrower MA (Count Twelve)
19	October 5, 2011	Promissory note and trust deed reflecting name of purported borrower MA (Count Thirteen)
20	February 1, 2012	Email reflecting name of purported borrower AN and describing bridge loan investment (Count Fourteen)

FORFEITURE ALLEGATION: (18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c))

18. The allegations in paragraphs 1 through 17 and the factual allegations in Counts One through Twenty of this Indictment are realleged and fully incorporated here for the purpose of alleging

1 forfeiture pursuant to the provisions of 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c).

2 19. Upon a conviction of any of the offenses alleged in Counts One through Twenty, the
3 defendants,

4 DIANE COBB and
5 PAUL SLOANE DAVIS,

6 shall forfeit to the United States all property constituting and derived from proceeds traceable to
7 violations of 18 U.S.C. § 1341 (Mail Fraud), as alleged in Counts One through Five, and 18 U.S.C. §
8 1343 (Wire Fraud), as alleged in Count One and Counts Six through Fourteen of this Indictment.

9 20. If any of the forfeitable property, as a result of any act or omission of the defendant:

- 10 (A) cannot be located upon the exercise of due diligence;
- 11 (B) has been transferred or sold to, or deposited with, a third party;
- 12 (C) has been placed beyond the jurisdiction of the Court;
- 13 (D) has been substantially diminished in value; or
- 14 (E) has been commingled with other property which cannot be divided without
15 difficulty;

16 any and all interest defendant has in other property, up to the value of the forfeitable property described
17 above, shall be vested in the United States and forfeited to the United States pursuant to Title 21, United
18 States Code, § 853(p), as incorporated by Title 28, United States Code, § 2461(c) and Rule 32.2 of the
19 Federal Rules of Criminal Procedure.

20 DATED: October 31, 2013

A TRUE BILL

21 Nancy J. Peterson
22 FOREPERSON

23 MELINDA HAAG
24 United States Attorney

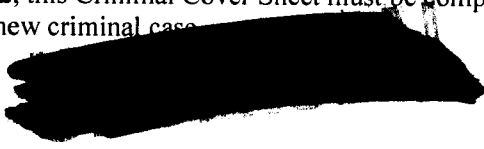
25 J. Douglas Wilson
26 J. DOUGLAS WILSON
27 Chief, Criminal Division

28 (Approved as to form: Thomas E. Stevens)
AUSA Thomas E. Stevens

United States District Court
Northern District of California

CRIMINAL COVER SHEET

Instructions: Effective January 3, 2012, this Criminal Cover Sheet must be completed and submitted, along with the Defendant Information Form, for each new criminal case.



CRB

Case Name:

USA v. DIANNE COBB and PAUL SLOANE DAVIS

Case Number:

CR 13 720

Total Number of Defendants:

1 2-7 8 or more

Is This Case Under Seal?

Yes No

Does this case involve ONLY charges under 8 U.S.C. § 1325 and/or 1326?

Yes No

Venue (Per Crim. L.R. 18-1):

SF OAK SJ EUR MON

Is any defendant charged with a death-penalty-eligible crime?

Yes No

Assigned AUSA (Lead Attorney):
THOMAS E. STEVENS, AUSA

Is this a RICO Act gang case?

Yes No

Date Submitted:
October 31, 2013

Comments:

[Empty text box for comments]

Save Print Clear Form