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UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

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FILED
ORLANDO

UNITED STATES OF AMERICA

v.

CASE NO. 6:16-cr- 184 - ORL -37 GJK
18 U.S.C. § 1349
18 U.S.C. § 1344
18 U.S.C. § 982(a)(2)(A) - Forfeiture

MAREK HARRISON
BRIAN ALLARD
SCOT ROUNDS

INDICTMENT

The Grand Jury charges:

COUNT ONE

(Conspiracy to Commit Bank Fraud)

A. Introduction

At times material to this Indictment:

1. The Federal Deposit Insurance Corporation ("FDIC") was an agency of the United States of America, established to protect depositors against substantial loss with the purpose of preventing bank collapses and instilling public confidence in the nation's banks.

2. JP Morgan Chase Bank N.A. ("JP Morgan Chase") was a financial institution, with offices located throughout the United States, including the State of Florida, and whose accounts were insured by the FDIC.

3. Wells Fargo Bank N.A. ("Wells Fargo") was a financial institution, with offices located throughout the United States, including the State of Florida, and whose accounts were insured by the FDIC.

4. It was the practice of many lending institutions, including the above-named financial institutions, to make loans secured by real property to borrowers. Such loans were often simply called mortgages or mortgage loans. In determining whether or not to extend any such loan, it was also the practice of the lending institutions to rely upon the information contained in a borrower's mortgage-related documents, such as the Uniform Residential Loan Application, the United States Department of Housing and Urban Development Settlement Statement, and the mortgage itself.

5. A Uniform Residential Loan Application (or a "Fannie Mae Form 1003"), commonly referred to as a mortgage loan application, was generally utilized by lending institutions and other lenders in the mortgage loan approval process. The Fannie Mae Form 1003 was designed to be completed by the applicant borrower(s) with the lender's assistance and required the borrower to truthfully provide to the lender various types of material information, including employment information, monthly income, detailed financial information (including asset and liability information), and other specifics of the residential property transaction, such as the purchase price and whether the borrower would use the property as a primary residence, secondary residence, or an investment.

6. Near the end of the Fannie Mae Form 1003 in the Acknowledgment and Agreement section, the form included, in pertinent part, the following or similar language:

"Each of the undersigned specifically represents to Lender and to Lender's actual or potential agents, brokers, processors, attorneys,

insurers, servicers, successors and assigns and agrees and acknowledges that:

- (a) the information provided in this application is true and correct as of the date set forth opposite my signature and that any intentional or negligent misrepresentation of this information contained in this application may result in civil liability, including monetary damages, to any person who may suffer any loss due to reliance upon any misrepresentation that I have made on this application, and/or in criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Sec. 1001, et seq.;
- (b) the loan requested pursuant to this application (the "Loan") will be secured by a mortgage or deed of trust on the property described in this application;
- (c) all statements made in this application are made for the purpose of obtaining a residential mortgage loan;
- (d) the property will be occupied as indicated in this application; and
- (e) the Lender and its agents, brokers, insurers, servicers, successors and assigns may continuously rely on the information contained in the application, and I am obligated to amend and/or supplement the information provided in this application if any of the material facts that I have represented herein should change prior to closing of the Loan."

7. To complete and submit the Fannie Mae Form 1003 to secure a mortgage loan, the prospective borrower(s) were required to sign and date the Acknowledgment and Agreement section of the form.

8. A United States Department of Housing and Urban Development Settlement Statement (or a "HUD-1 Settlement Statement") was a form generally used in closings of the sales of residential properties in the United States. A HUD-1 Settlement Statement was used to identify and allocate the various receipts, disbursements, expenses, and payments associated with the sale of residential real estate between the buyer and the seller of the property. Each HUD-1 Settlement Statement included the following or similar warning at the bottom of the form:

"It is a crime to knowingly make false statements to the United States on this or any similar form."

9. The HUD-1 Settlement Statement also frequently included the following or similar statement and certification by the prospective borrower and seller:

"I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement."

10. The Settlement Agent responsible for handling the closing of the sale of residential property was also required to sign the HUD-1 Settlement Statement attesting to the following or similar statement:

"To the best of my knowledge, the HUD-1 Settlement Statement which I have prepared is a true and accurate account of the funds which were received and have been or will be disbursed by the undersigned as part of the settlement of this transaction."

11. Saratoga Resort Villas, 4787 West Irlo Bronson Highway, Kissimmee, Florida, was acquired by SRV Associates, LLC ("SRV Associates") on July 28, 2005, for \$12,000,000 (acquisition and renovation loan). The property contains 150 units and 4 commercial spaces in 17 buildings.

12. SRV Associates was a Florida Limited Liability Company, with its principal place of business listed as 5003 S. Elberon Street, Tampa, Florida.

13. The Lux Group was a Florida Limited Liability Company. The Lux Group was the managing member of SRV Associates.

14. **MAREK HARRISON** was a developer and director/member of The Lux Group.

15. **BRIAN ALLARD** was a developer and director/member of The Lux Group, LLC.

16. **SCOT ROUNDS** was a mortgage broker, consultant, and recruiter for The Lux Group.

B. The Conspiracy

17. Beginning on an unknown date, but no later than in or around September 2007, and continuing through in or around December 2008, in Osceola County, Florida, in the Middle District of Florida, and elsewhere,

**MAREK HARRISON,
BRIAN ALLARD,
and
SCOT ROUNDS**

the defendants herein, did knowingly and willfully combine, conspire, confederate, and agree with others, both known and unknown to the Grand Jury, to knowingly,

willfully, and with intent to defraud, execute and attempt to execute a scheme and artifice to defraud a financial institution and to obtain money, funds, credits, assets, securities, and other property owned by, and under the custody and control of, a financial institution, by means of materially false and fraudulent pretenses, representations, and promises, in violation of Title 18, United States Code, Section 1344.

C. Manner and Means of the Conspiracy

18. The manner and means by which the defendants and other co-conspirators sought to accomplish the object and purpose of the conspiracy included, among other things, the following:

a. It was part of the conspiracy that the defendants, **MAREK HARRISON, BRIAN ALLARD, and SCOT ROUNDS**, would and did solicit buyers to purchase condominium units at Saratoga Resort Villas as investment properties.

b. It was a further part of the conspiracy that the defendants, **MAREK HARRISON, BRIAN ALLARD, and SCOT ROUNDS** would and did promise buyers that the buyers would not be required to provide any money at closing, and would receive kickbacks of funds after closing.

c. It was a further part of the conspiracy that the defendants, **MAREK HARRISON, BRIAN ALLARD, and SCOT ROUNDS** would and did promise buyers incentives, which included payments of the mortgages on the units and the dues for the homeowners' association.

d. It was a further part of the conspiracy that the defendants, **MAREK HARRISON, BRIAN ALLARD, and SCOT ROUNDS** would and did cause documents that contained materially false and fictitious statements and omissions to be prepared and submitted to JP Morgan Chase, Wells Fargo, and other entities, which would result in those financial institutions issuing funds for the benefit of the buyers for the purchase of the condominium units.

e. It was a further part of the conspiracy that the defendants, **MAREK HARRISON, BRIAN ALLARD, and SCOT ROUNDS** would and did mask kickbacks as legitimate fees on the HUD-1 Settlement Statements so the transactions appeared lawful.

f. It was a further part of the conspiracy that the defendants, **MAREK HARRISON, BRIAN ALLARD, and SCOT ROUNDS** would and did use The Lux Group and other entities to funnel kickbacks as well as other incentives to buyers of condominium units. These kickbacks and incentives were not disclosed on the HUD-1 settlement statements submitted to the lenders.

g. It was a further part of the conspiracy that the defendants, **MAREK HARRISON, BRIAN ALLARD, and SCOT ROUNDS**, would and did distribute and/or share funds acquired during the conspiracy, often using bank accounts held in the name of The Lux Group and other entities.

h. It was a further part of the conspiracy that the defendants, **MAREK HARRISON, BRIAN ALLARD, and SCOT ROUNDS** would and did perform acts and make statements to hide and conceal, and cause to be hidden

and concealed, the purpose of the conspiracy and the acts committed in furtherance thereof.

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

COUNTS TWO THROUGH SEVEN
(Bank Fraud)

A. Introduction

19. The Grand Jury re-alleges paragraphs 1 through 16 in Count One of this Indictment as though fully set forth herein.

B. The Scheme

20. Beginning on an unknown date, but no later than in or around September 2007, and continuing through in or around December 2008, in Osceola County, Florida, in the Middle District of Florida, and elsewhere,

**MAREK HARRISON,
BRIAN ALLARD,
and
SCOT ROUNDS**

the defendants herein, aided and abetted by each other and others, did knowingly, willfully, and with intent to defraud, execute and attempt to execute a scheme and artifice to defraud a federally insured financial institution and to obtain money, funds, credits, assets, securities, and other property owned by and under the custody and control of a federally insured financial institution, by means of materially false and fraudulent pretenses, representations, and promises.

C. Manner and Means of Scheme

21. The substance of the scheme and artifice and its manner and means are described in paragraph 18 of Count One of this Indictment, and the Grand Jury re-alleges those allegations as though fully set forth herein.

D. Executions of the Scheme

22. On or about the dates set forth below in each Count, in Osceola County, in the Middle District of Florida, and elsewhere,

**MAREK HARRISON,
BRIAN ALLARD,
and
SCOT ROUNDS**

the defendants herein, aided and abetted by each other and others, and for the purpose of knowingly, willfully, and with intent to defraud executing, and attempting to execute, the aforementioned scheme and artifice to defraud a federally insured financial institution, and to obtain money, funds, credits, assets, securities, and other property owned by and under the custody and control of a federally insured financial institution, by means of materially false and fraudulent pretenses, representations and promises, did cause the following transfers of mortgage loan funds to be made by the FDIC insured financial institutions set forth below:

Count	Defendant(s)	Date	Bank	Property
Two	MAREK HARRISON BRIAN ALLARD	11/06/2007	JP Morgan Chase	4787 Irlo Bronson Hwy 192, Unit 2903, Kissimmee, FL
Three	MAREK HARRISON	11/07/2007	JP Morgan Chase	4787 Irlo Bronson Hwy 192, Unit 2815, Kissimmee, FL
Four	BRIAN ALLARD	12/06/2007	Wells Fargo	4787 Irlo Bronson Hwy 192, Unit 2853, Kissimmee, FL
Five	MAREK HARRISON BRIAN ALLARD SCOT ROUNDS	12/12/2007	Wells Fargo	4787 Irlo Bronson Hwy 192, Unit 2825, Kissimmee, FL
Six	MAREK HARRISON BRIAN ALLARD	12/26/2007	Wells Fargo	4787 Irlo Bronson Hwy 192, Unit 2839, Kissimmee, FL
Seven	BRIAN ALLARD SCOT ROUNDS	02/14/2008	Wells Fargo	4787 Irlo Bronson Hwy 192, Unit 2833, Kissimmee, FL

All in violation of Title 18, United States Code, Sections 1344 and 2.

FORFEITURES

1. The allegations contained in Counts One through Seven of this Indictment are hereby realleged and incorporated by reference for the purpose of alleging forfeitures pursuant to the provisions of Title 18, United States Code, Section 982(a)(2)(A).

2. Upon conviction of the violation alleged in Count One of this Indictment, the defendants, **MAREK HARRISON, BRIAN ALLARD, and SCOT ROUNDS**, shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 982(a)(2)(A), any property constituting, or derived from

proceeds obtained, directly or indirectly, as a result of such violation.

3. Upon conviction of the violations alleged in Counts Two, Three, Five, and Six of this Indictment, the defendant **MAREK HARRISON** shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 982(a)(2)(A), any property constituting, or derived from proceeds obtained, directly or indirectly, as a result of such violations.

4. Upon conviction of the violations alleged in Counts Two, Four, Five, Six, and Seven of this Indictment, the defendant **BRIAN ALLARD** shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 982(a)(2)(A), any property constituting, or derived from proceeds obtained, directly or indirectly, as a result of such violations.

5. Upon conviction of the violations alleged in Counts Five and Seven of this Indictment, the defendant **SCOT ROUNDS** shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 982(a)(2)(A), any property constituting, or derived from proceeds obtained, directly or indirectly, as a result of such violations.

6. 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 which cannot be divided without difficulty,

the United States of America shall be entitled to forfeiture of substitute property under the provisions of Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1).

A TRUE BILL,


FOREPERSON

A. LEE BENTLEY, III
United States Attorney

By: 
Christopher Poor
Special Assistant United States Attorney

By: 
Vincent S. Chiu
Assistant United States Attorney

By: 
Katherine M. Ho
Assistant United States Attorney
Chief, Orlando Division

FORM OBD-34
APR 1991

No.

UNITED STATES DISTRICT COURT
Middle District of Florida
Orlando Division

THE UNITED STATES OF AMERICA

vs.

MAREK HARRISON
BRIAN ALLARD
SCOT ROUNDS

INDICTMENT

Violations:
18 U.S.C. § 1349
18 U.S.C. § 1344

A true bill,


Foreperson

Filed in open court this 21st day
of September 2016.

Clerk

Bail \$ _____